



# ***Daily Report***

## **East Asia**

FBIS-EAS-93-152  
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NOTICE TO READERS: An \* indicates material not disseminated in electronic form.

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## Japan

### Labor Groups Protest U.S. Live-Fire Exercise

OW1008043393 Naha NHK Television in Japanese  
0316 GMT 9 Aug 93

[Text] U.S. Forces in Okinawa, planning to conduct a live-fire exercise across National Highway No. 104 beginning 10 August, are expected to begin the exercise this afternoon because of a typhoon-caused delay in preparations for the exercise.

The live-fire exercise, the third such since the beginning of this year, is originally planned to be conducted at Camp Hansen in Kin-cho for three days beginning today, but the exercise was not conducted this morning because of heavy rains.

U.S. Forces in Okinawa, planning to begin the exercise this afternoon, are now preparing for the exercise, while bringing in 155-mm howitzers to gun positions at the exercise site.

In reaction to the live-fire exercise by U.S. Forces, labor groups, that are opposed to the live-shelling exercise, staged a protest rally this morning on a hill overlooking Mt. Onna to which shells are fired.

At the protest rally, Arakaki, chairman of the Okinawa Peace Movement Center, said that although the Hosokawa coalition government has been inaugurated, it is impossible to resolve problems arising from U.S. military bases, including the halt to live-fire exercises, so long as we do not aggressively carry out our campaign against military exercises in Okinawa.

### U.S., Australia Protest Curbs on Beef Imports

OW0908183193 Tokyo KYODO in English 1304 GMT  
9 Aug 93

[Text] Tokyo, Aug. 9 KYODO—The United States and Australia expressed strong concern over a farm ministry's recent call on Japanese importers to restrain purchases of foreign beef, ministry officials said Monday [9 August].

Officials of the two countries' embassies in Tokyo lodged their concerns to the Ministry of Agriculture, Forestry and Fisheries, claiming the ministry request runs counter to the spirit of the 1988 agreements calling for liberalization of beef imports.

The complaints were in response to a request made by the ministry to 34 trading firms Friday to curb beef imports because of oversupply in the domestic market.

The ministry also called on the United States and Australia to take measures for "orderly beef exports."

The United States and Australia are two major beef suppliers for Japan.

The ministry told the two countries it has no intention of controlling beef imports, adding its request to the trading houses was in fact intended to avoid possible reinstatement of import regulations, the ministry officials said.

Japan abolished quotas for beef imports in exchange for high tariffs in 1991.

According to ministry statistics, Japan's beef imports in fiscal 1992, which ended last March 31, surged 29.5 percent over the previous year to 423,000 tons, against domestic production of 407,000 tons.

### MITI Officials Agree With Kumagai on Economy

OW1008101093 Tokyo KYODO in English 0955 GMT  
10 Aug 93

[Text] Tokyo, Aug. 10 KYODO—A senior trade ministry official concurred Tuesday [10 August] with the assessment of his new boss about the weak state of the Japanese economy. The official's remarks came as an indication that entrenched bureaucrats were supportive of new International Trade and Industry Minister (MITI) Hiroshi Kumagai.

"That is what we have been maintaining," said the official, who requested anonymity. "The burst of the bubble economy and economic cycles are not adequate explanations for the economic slump."

Kumagai told a news conference after the first meeting of the new cabinet that the economy is not headed toward recovery. Criticizing the former government, he said the Finance Ministry and Economic Planning Agency (EPA) had not made practical business cycle-oriented decisions during the past three years.

The EPA maintains the economy has hit bottom.

Before talking of new fiscal and tax measures, Kumagai said he wants to conduct a "thorough probe" into administrative systems to ensure he takes efficient steps to boost domestic demand.

### JCP Criticizes Hosokawa for Maintaining LDP Policies

OW1008093693 Tokyo KYODO in English 0920 GMT  
10 Aug 93

[Text] Tokyo, Aug. 10 KYODO—The Japanese Communist Party [JCP] chided new Prime Minister Morihiro Hosokawa on Tuesday [10 August] for sticking with existing policies formulated by the former ruling Liberal Democratic Party [LDP] and failing to present a new policy approach. JCP Secretariat Head Kazuo Shii told reporters, "We could not see any policy differences between (the new administration) and the Liberal Democratic Party as Hosokawa merely repeated his resolve to take over the basic policy lines of the LDP governments."



"I suspect many people were disappointed and are wondering what the new coalition government is for," he said.

Shii, a House of Representatives member, was commenting on the policy stances voiced by the newly inaugurated prime minister hours earlier at a news conference at his official residence.

Shii also warned that Hosokawa's electoral legislative proposals would damage Japan's electoral system, rather than improve it as the coalition government claims.

"I believe his approach will aggravate the electoral system and trample upon democracy," he said.

The JCP has long argued that a combination of single-seat districts and proportional representation for lower house elections would deal a serious blow to minority parties with small numbers of seats.

#### **Yamahana Pledges To Realize Political Reform**

*OW1008090593 Tokyo KYODO in English 0843 GMT 10 Aug 93*

[Text] Tokyo, Aug. 10 KYODO—Sadao Yamahana, the state minister in charge of cleaning up Japanese politics, pledged Tuesday [10 August] the new government will institute political reforms to combat corruption and change the existing electoral system.

Yamahana, who is also head of the Social Democratic Party (SDP), told KYODO NEWS SERVICE that the seven-party coalition government should put reform into law to restore public trust in politics.

"It is necessary for me to hear views on political reform from political parties," he said. "I want to assemble the bills as soon as possible after I hear their views."

In addition, Yamahana said the coalition wants to debate political reform with the Liberal Democratic Party (LDP), now in opposition after being ousted from 38 years in power.

Prime Minister Morihiro Hosokawa formed the coalition government Monday, three days after the two chambers of the Diet named him Japan's new prime minister.

Yamahana said the coalition government's consensus is "based" on enacting a House of Representatives electoral group of 250 single-seat constituencies and the same number of seats chosen by proportional representation.

The plan was endorsed by the five coalition partners—the SDP, Komeito, Shinseito (Japan Renewal Party), the Democratic Socialist Party (DSP), and the United Social Democratic Party (USDP).

The Japan New Party (JNP) and Sakigake proposed the plan as a condition for forming the coalition about one week after the LDP lost a majority in the July 18 lower

house election. The JNP led by Hosokawa and Sakigake headed by Chief Cabinet Secretary Masayoshi Takemura are both newly founded conservative parties.

Replying to a question about whether the SDP endorses the electoral system, Yamahana said party members will back the system if it is combined with measures to prevent political corruption. A considerable number of SDP members reportedly have opposed introduction of the electoral system, saying it will endanger the party by sharply reducing its current 77 lower house seats.

#### **Finance Ministry Asks Ministries To Help With Budget**

*OW1008041893 Tokyo KYODO in English 0320 GMT 10 Aug 93*

[Text] Tokyo, Aug. 10 KYODO—The Finance Ministry asked other ministries and agencies Tuesday [10 August] to cooperate in forming a framework for the fiscal 1994 draft budget that takes into account the government's tight financial situation, ministry officials said.

The ministry made the plea at a meeting of heads of the ministers' secretariats, explaining the severity of the fiscal situation due to two consecutive years of decline in tax revenues and the resultant shortage of funds to meet expenditures in fiscal 1992 that ended March 31.

The ministry asked participating government offices to beef up their efforts to reduce ordinary expenditures, but also to try and acquire a reasonable allowance for investments considering the nation's economic health, the officials said.

Prime Minister Morihiro Hosokawa's cabinet is planning to approve the framework or "ceiling" for the fiscal 1994 draft budget when it convenes Friday, so that each ministry and agency will be able to submit requests by August 31 in accordance with the outline.

The officials said no specific figures were on the table at Tuesday's meeting.

They said the Fiscal Systems Council, a panel that advises the finance minister, is scheduled to meet Wednesday morning on the issue, but it is still unknown whether there will be final negotiations at a conference of ministers scheduled for Thursday.

There is speculation that the defense budget will be frozen at this year's level, while allocations for Japanese overseas financial assistance may be restrained due to the tight government pocketbook.

#### **Cabinet Members Speak at News Conference 9 Aug**

*OW1008011293*

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0050 GMT on 9 August carries a 92-minute program including coverage of a live news



conference held by newly appointed members of the Hosokawa cabinet from the prime minister's official residence in Tokyo.

Speaking at the news conference are Sadao Yamahana, state minister in charge of political reform; Koshiro Ishida, Management and Coordination Agency director general; Tsutomu Hata, deputy prime minister and foreign minister; Keigo Ouchi, health and welfare minister; Hiroshi Fujii, finance minister; Manae Kubota, Economic Planning Agency director general; Takenori Kan-zaki, posts and communications minister; Hiroshi Kumagai, international trade and industry minister; Chikara Sakaguchi, labor minister; Keisuke Nakanishi, Defense Agency director general; Kozo Igarashi, construction minister; and Wakako Hironaka, Environment Agency director general.

Yamahana, state minister in charge of political reform, is the first of the new ministers to speak at the news conference.

He says: "I will deliver the political reform that the Liberal Democratic Party (LDP) was unable to carry out." Yamahana reveals that at a meeting with Prime Minister-elect Hosokawa he had been asked to play a role in comprehensively coordinating within the new coalition government on political reform.

Discussing how he will approach the job, Yamahana says, "I will push for political reform while maintaining close contacts with the home affairs minister."

On reform of his own Social Democratic Party of Japan (SDPJ), Yamahana says "I will fully tackle my party's reconstruction."

He continues: "I fought in the latest general election as SDPJ chairman and I will fulfill my responsibility to the people."

Asked by an unidentified reporter to comment on SDPJ representation in the Hosokawa cabinet, Yamahana says: "We will take the initiative in making the Hosokawa government a good government based on our pledges to the people during the latest general election, and we have explained our intention to the prime minister."

Yamahana finishes speaking at 0100 GMT.

Ishida, Management and Coordination Agency director general, then addresses the news conference. He says: "I will do everything I can to have the new government trusted by the people."

Ishida asks people to support his efforts, saying, "administrative reform is a major task to be accomplished by me, and I will push for administrative reform."

Discussing how this might be done, Ishida says, "I will raise the transparency of the administration," adding

that he will also work hard for the decentralization of administrative powers to local governments, and deregulation.

Asked by an unidentified reporter to comment on posts held by the Komeito in the Hosokawa cabinet, Ishida says: "Cabinet posts have been distributed on the basis of seats, and I have no problem with the distribution of cabinet posts to seven political parties."

Ishida finishes speaking at 0105 GMT.

At 0106 GMT, Hata, deputy prime minister and foreign minister, begins to speak. Discussing the current international situation, Hata cites regional conflicts following the end of the cold war, the proliferation of nuclear weapons, the issue of aid to Russia, and the Uruguay Round of GATT negotiations as major foreign policy issues.

He says: "It is necessary for Japan to aggressively work to overcome these issues and build stable and constructive relations with other nations."

He adds: "We will continue with and develop the existing foreign policies and exert the utmost efforts in performing our duties."

Asked by an unidentified reporter to comment on normalization talks between Japan and the DPRK, Hata stresses the importance of "a comprehensive summing up" of Japan's World War II record, particularly among Asian countries.

Noting that "Japan caused various troubles to Asian nations during the war," Hata goes on to say, "Japan should admit the facts, repent its wrongdoings, and apologize properly when appropriate."

Touching on the Japan-DPRK normalization talks, Hata says, "it is important for Japan to create an environment for talks with other nations," and stresses that "Tokyo should further develop relations with South Korea, a neighbor of Japan."

Asked by an unidentified reporter about Japanese efforts to join the UN Security Council as a permanent member, Hata says: "The United Nations will have to reorganize itself to function properly in the future and what I can say right here is that Japan should contribute to the United Nations and play a part within it compatible with its national strength."

Asked to comment on the issue of opening the Japanese rice market, Hata says: "We will speak out straightforwardly as the number-one importer of foodstuffs, since food is a vital issue, but will work by all means for GATT's success."

He concludes at 0117 GMT by saying, "I will work to revive the vitality of Japanese politics and I will do my utmost to support the Hosokawa cabinet."



Health and Welfare Minister Keigo Ouchi begins to speak at 0117 GMT. Saying he will do his utmost in his work as welfare minister, Ouchi explains the need to enrich the welfare system for the well-being of the people.

Asked about the employment issue, Ouchi says, "It is necessary to establish a clear policy on employment security."

He is then asked if he has ever received contributions to his political funds, Ouchi says "I have received contributions" from construction companies. He finishes speaking at 0122 GMT.

Science and Technology Agency Director Satsuki Eda speaks next, commenting on nuclear energy. He says he will abide by a coalition agreement and do his best to provide a steady energy supply.

Relay of the news conference is briefly interrupted for a weather report.

At 0129 GMT, Finance Minister Hiroshi Fujii addresses the news conference. He explains the importance of forming a new international economic order.

"The Japanese people's living conditions are out of step with Japan's international economic power. Financially, I will attach importance to this so that the people will be able to actually feel the benefits of our economic power."

Asked about the possibility of an income tax reduction, Fujii stresses that "deficit covering bonds should not be issued."

He adds: "The cabinet is not considering changing its consumption tax rate," saying Prime Minister Hosokawa supports the policy.

Asked if he will lower interest rates, Fujii says: "It is a matter for the Bank of Japan (BOJ) to decide. It is important for the BOJ and financial authorities to act in harmony. However, I have no intention of directly commenting on the BOJ's financial policies." Fujii finishes answering questions at 0137 GMT.

At 0140 GMT, Economic Planning Agency Director General Manae Kubota begins her address. She says her "task for the time being is to ensure steady economic recovery by accurately steering the economy."

She says: "I will place great importance on improving the lives of consumers, and I will work hard to that end." She continues, "I will also promote international economic policy coordination," adding, "I need support from the people in improving consumers' lives."

Asked if the economic recession has reached the bottom, Kubota says: "From explanations given to me using a variety of indices, it seems Japan's economy will not slide further." She adds she will "keep a close watch on economic trends to make sure the economy will recover."

An unidentified reporter asks what she thinks of the legality of the Self-Defense Forces (SDF) in relation to the Japanese Constitution. Kubota says she will not comment because the coalition government has agreed to freeze the views of each member party on this issue. She finishes answering questions at 0145 GMT.

Posts and Telecommunications Minister Takenori Kan-zaki speaks next. He speaks about his resolve to improve the postal system by offering people better service. He fields questions from the news media on such matters as an increase in postal fees and contributions to political funds from construction companies. He finishes speaking at 0149 GMT.

Next, Hiroshi Kumagai, international trade and industry minister, begins to speak. He says: "As Prime Minister Hosokawa has been constantly saying, I will reconstruct the Ministry of International Trade and Industry's administration by attaching more importance to improving the livelihoods of consumers than to the suppliers' or production side."

Asked to comment on the GATT negotiations, Kumagai says: "Whether the international community can maintain the free trade system lies in the success of the Uruguay Round of talks. I will exert all-out efforts for its successful conclusion."

He is asked if Japan is aiming to reach a "small package agreement" at the Uruguay Round. Kumagai says firm policies will be worked out with the bureaucracy.

Commenting on the U.S. desire to set target figures for trade, and on trade issues generally between Tokyo and Washington, he says: "Moves toward managed trade should be avoided. The introduction of managed trade goes against plans we are about to introduce to relax regulations at home, and free the market economy. It contradicts our plans to create an open and transparent society. However, I understand very well the U.S. irritation over the trade surplus issue, and I will exert all-out efforts to coordinate with them on this."

Kumagai finishes answering questions at 0154 GMT.

Transportation Minister Shigeru Ito is the next to speak, saying his ministry will "reduce the number of government regulations 20 percent in three years."

Asked how Japan, with its Constitution, can keep its SDF, Ito says: "It is obvious that the current Constitution and the SDF's reality are contradictory; even an elementary school pupil knows that. However, the important thing is not simply to argue about this, but to come up with a policy befitting the disarmament era by looking at the reality of Japan's position, its future, the future of its relations with Asia, and future ties between Japan and the rest of the world."

Ito finishes answering questions at 0159 GMT.



Labor Minister Chikara Sakaguchi speaks next. He sees his ministry's major tasks as dealing with an aging society, improving working conditions, and shortening working hours.

At this point the live relay is interrupted for another weather report. The relay resumes at 0207 GMT, with Defense Agency Director General Keisuke Nakanishi speaking. He says: "I keenly feel the weight of my responsibility. Needless to say, we cannot work out national defense plans without the understanding of the people. In that sense, I will work to win support from the people in carrying out defense policies."

He adds: "Although people are concerned over the new government's defense policy, we will inherit Japan's conventional policies of this matter. To comply with the expectations of the people, I will do my best to foster the SDF in the future according to the coalition government agreement."

He makes reference to SDF work in rescuing victims of recent natural disasters in Hokkaido and Kyushu.

Nakanishi says: "The SDF should become a force that is beloved by the people."

Responding to a question about current military threats to Japan, Nakanishi says: "We welcome the movement toward nuclear disarmament by the United States and the Soviet Union [as heard]. On the other hand, China, India, and other nations have been increasing their military budgets, and this has become a matter of concern to us."

"The tension on the Korean Peninsula, which is separated from Japan by a narrow strip of water, is also of concern to us. In particular, North Korea test-fired missiles in May or before the election. According to the Defense Agency's Defense White Paper, the missiles are capable of reaching western Japan. They also are of concern to us."

Nakanishi finishes answering questions at 0210 GMT.

Next to speak is Construction Minister Kozo Igarashi, who says Prime Minister Hosokawa has specifically asked him to tackle the issue of bidding for public works projects. He reiterates his resolve to cut the corruptive ties linking general contractors, politicians, bureaucrats, and businesses, which have created a series of scandals.

He says: "My mission is to change the system in such a way that it meets the hopes and expectations of the people."

Asked what measures he will introduce to improve the bidding system, he says it is important that general contractors' unaccounted expenditures, which are a financial source of corruption, should be accounted for.

Igarashi finishes answering questions at 0221 GMT.

Environment Agency Director General Wakako Hironaka is next to speak but is quickly interrupted when NHK switches to a live interview with LDP Secretary General Yoshiro Mori. Mori's interview ends at 0232 GMT and NHK ends its relay of the news conference at the same time.

#### **LDP's Mori Interviewed on New Cabinet**

*OW1008002393 Tokyo NHK General Television  
Network in Japanese 0222 GMT 9 Aug 93*

[Interview via satellite with Yoshiro Mori, secretary-general of the Liberal Democratic Party (LDP) by NHK commentator Yamamoto; Mori, at an unidentified location, is shown on a large screen and Yamamoto is seated in an NHK studio—live]

[Text] [Yamamoto] Mori, I am sorry to have kept you waiting. I think this was your first chance to watch how the cabinet was formed as an opposition party member. How did you feel?

[Mori] Frankly speaking, I wondered what the lineup would be. As we were in power for so long, I hope they will be able to carry out their tasks without any serious errors. As a politician, and transcending parties or factions, I have rather complicated feelings hoping that a desirable cabinet would be formed so that both Japan and the Japanese people would be able to feel at ease.

[Yamamoto] Is that so?

[Mori] Yes, that is right.

[Yamamoto] Now that the coalition cabinet's lineup has been announced, how would you appraise it?

[Mori] I think the point at issue probably lies in what they are going to do from now on. Judging from the lineup, they have all been doing good jobs in their own parties until now. Therefore, it will be difficult to evaluate them. The point at issue is that as cabinet members, what are they going to do, what administration they will pursue, and what policies they are going to implement.

Moreover, they have been saying that one of the coalition cabinet's objectives is to change politics in Japan. How are they going to do that? How and what are they going to do? Unless their plans are made known, I think it would be very difficult to state my feelings now.

[Yamamoto] Is that right?

[Mori] Yes.

[Yamamoto] Well, Liberal Democratic Party [LDP] President Kono has stated that it is very difficult to understand what kind of politics, in concrete terms, the coalition is planning to pursue. Even now when the cabinet lineup has been announced, is it still difficult to discover their political orientation?

[Mori] It is very difficult to comment. Now that they have just started, I feel I should offer my congratulations



in compliance with Bushido [traditional Japanese chivalry; the unwritten code of ethics and behavior developed from feudal warrior society].

Nevertheless, it should be noted that factional interests are somehow involved. We can well understand that all party leaders are invited to join the cabinet to promote cooperation. However, a great difference exists in basic policies. If what they advocate is merely to carry out political reform, the current lineup may seem desirable.

However, it should be noted that each individual party has different policies concerning Japan's important fundamental orientation, and that no policy speech will be given. However, the Diet regulations require that a policy speech should be given. In this connection, I hope that Hosokawa will by all means clarify his basic policies, the orientation for our nation in particular. Only then can we comment.

[Yamamoto] A minister will be specifically assigned to take charge of political reform. In this way, the cabinet has clearly indicated its position on handling this issue. How would you evaluate this decision?

[Mori] There are several major issues concerning political reform, and one of them concerns reform of the electoral system. Both our party and the Social Democratic Party of Japan [SDPJ] have made many proposals on this. However, the issue involves many different views, including various principles and specifics, as well as many official and honest reasons [tatemae, honne]. Therefore, the decision may indicate that SDPJ members now intend to tackle this issue.

[Yamamoto] I feel that procedures for forming the cabinet have changed drastically as compared with what the LDP administration used to do. Do you think that Hosokawa has brought his leadership into full play in the process?

[Mori] I do not think there is much difference.

[Yamamoto] Is that right?

[Mori] However, the process seems to be different from what used to be done in so far as no information has been leaked. On this point, it is different.

However, from my observations, it can be clearly noted that previous consultations in various forms have been conducted secretly among various parties and forces. And, I feel that Hosokawa seems to have acted with some reservations. There are many capable people close to Hosokawa, including many experts on policies.

I do not know whether I should say this or not, but I know that in agriculture, Takenaka is a capable expert who has an excellent new sense about agriculture; and [Yoshio] Terazawa, who is the first Japanese to serve as president of the Multilateral Investment Guarantee Agency, the agency in charge of investment guarantees. Besides, he has many acquaintances in the United States. And in the economic field, he is known as an economist

all over the world. Regarding Japanese industry, he has excellent ideas. Thus, he has many excellent experts around him but he has appointed none of them. On this point, it seems that Hosokawa has acted with some reservations or it must have been difficult for him to handle the issue.

[Yamamoto] Do you mean that a little too much consideration has been given to the balance among various ruling parties?

[Mori] Yes. In the past, it was necessary to pay attention to balance among factions. And on this point, there is a similarity.

[Yamamoto] Now that the heads of all the ruling parties in the coalition have become cabinet members, I do not think you will feel that they are unqualified as opponents during deliberations.

[Mori] That is quite true. In the past, as we held power for so long and were the ruling party, we used to act with some reservations toward the government or the administration. In this sense, I think it is essential that, based on our past experiences and defects, we resolutely work out policies, make proposals to counter government proposals, and ask for the people's judgment.

[Yamamoto] I think that full-scale deliberations will be conducted at the extraordinary Diet sessions scheduled for next month. On which sectors in particular do you think that you will query the new administration?

[Mori] Of course, as Hosokawa has stated, the extraordinary Diet sessions to be convened in September will probably start with deliberations on the issue related to political reform. Anyway, the cabinet for its part must indicate how it is going to deal with the nation's orientation. For example, there are policies on diplomacy, security, and defense. And, there are also policies on energy, education, and public security. It should clarify the basic orientation to the people, and inform them of the framework that it intends to work out. Deliberations will probably be conducted on these issues.

As for political reform, it has been decided that cooperation will be made in promoting the reform. In this connection, various deliberations will be conducted on specific details. However, before starting such deliberations, a framework should be discussed because the coalition cabinet is made up of members of numerous parties. And therefore, I feel that we should ask them about the coordination in their policies.

[Yamamoto] You mean that what cannot be overlooked is the fact that there is a difference in views on basic policies among the ruling parties. Is that right?

[Mori] Yes, that is right. Otherwise, our people will never feel at ease. In what direction will the nation be moved? What is the skipper thinking about? Where will the ship go? I think that all these matters are very important to our people.



[Yamamoto] Thank you very much.

### **Transportation Minister on Congestion, Infrastructure**

*OW0908183293 Tokyo KYODO in English 1224 GMT 9 Aug 93*

[Text] Tokyo, Aug. 9 KYODO—New Transport Minister Shigeru Ito said Monday [9 August] he will tackle the rush hour commute problem on public transportation in Japan's large cities.

"It may require a large-scale investment, but I want to call for private sector cooperation with the government to come up with a concrete solution," Ito said at a news conference after the first cabinet meeting of the new government of Prime Minister Morihiro Hosokawa.

Ito also said he wants to push the ongoing deregulation policy of the ministry. The number of items which require the ministry's permission should eventually be reduced by about 20 percent, Ito said.

As for the future course of the nation's economy, he said it will hit the bottom in the current fiscal year's first half to September and will pick up some time in the second half.

"But additional pump-priming measures may be necessary, because the economy lacks strong momentum," Ito said, adding the measures should not remain in the traditional category, such as more public works investment and a cut in interest rates.

"It may be the time to review the conventional ways of allocation of public works investment," Ito said.

Ito said he supports the proposed construction of new social infrastructure.

### **EPA Head To Study Product Liability Issue**

*OW0908140893 Tokyo KYODO in English 1400 GMT 9 Aug 93*

[Text] Tokyo, Aug. 9 KYODO—Manae Kubota, new director general of the Economic Planning Agency (EPA), said Monday [9 August] Japan could eventually introduce product liability legislation similar to the European system, although she could not be more specific until "studying the issue further."

It is the practice of many countries in Europe to hold companies responsible for their products, and "Japan will likely go in that direction," Kubota said at a press conference after the first meeting of Prime Minister Morihiro Hosokawa's new cabinet.

Political commentators said Kubota's remarks reflect the rather ambiguous position in which she finds herself.

The Social Democratic Party (SDP), to which Kubota belongs, played a leading role last year in submitting a bill for product liability to the Diet, which would have

imposed strict responsibility on companies, whereas the EPA has been pushing for legislation more lenient to companies, they said.

Touching on the five-year plan to make Japan a "lifestyle superpower," which the EPA compiled under former Prime Minister Kiichi Miyazawa, Kubota said she supports it.

### **Coalition Parties To Set Up Policy Council**

*OW1008043493 Tokyo KYODO in English 0355 GMT 10 Aug 93*

[Text] Tokyo, Aug. 10 KYODO—The ruling seven-party coalition on Tuesday [10 August] agreed to set up a council to coordinate policies on issues in which disparate points of view are likely to cause friction among alliance members, officials of the parties said.

At an unofficial meeting at the House of Representatives members' hall, members from each party agreed to create an organ which would unify the policy affairs organizations from the respective parties and also create separate committees on matters such as tax policy. The coalition council, comprised of chief secretary level representatives from each party, will be similar to the influential Policy Affairs Research Council of the felled Liberal Democratic Party.

The Tuesday's meeting, with Ichiro Hino of the Social Democratic Party acting as chairman, called for quick hearings on a spate of natural disasters in Japan this summer and the stubborn economic recession. At the meeting, Koichi Murase, who heads the Disaster Prevention Bureau of the National Land Agency, reported on the damage in Kagoshima Prefecture which has been hit by heavy rains, floods and landslides. He urged the alliance to take swift and appropriate measures to deal with the damage on Japan's southernmost main island of Kyushu, which was lashed by a powerful typhoon late Monday and early Tuesday.

The alliance council plans to hear reports from members of the Economic Planning Agency on Wednesday. The council also will consider dispatching a mission to study the formation of decision-making systems under coalition governments in Western European nations, the officials said.

### **1994 Budget Requests To Be Decided by Aug**

*OW0908182993 Tokyo KYODO in English 1248 GMT 9 Aug 93*

[Text] Tokyo, Aug. 9 KYODO—New Japanese Prime Minister Morihiro Hosokawa said Monday [9 August] spending requests by government ministries and agencies for fiscal 1994 will as usual be received by the end of August. The government wants to compile next year's budget by the end of December, Hosokawa told the first meeting of his cabinet, formed Monday morning.



During the cabinet meeting, Finance Minister Hirohisa Fujii said his ministry will work out the next year's budget request guidelines for approval at a cabinet meeting Friday. The guidelines are designed to put ceilings on budget requests by each ministry and agency for the new year that will begin in April 1994.

Hosokawa clarified the government's stance against resuming issuance of deficit-covering bonds. Japanese Government coffers are short of money due to the sharp drop in tax revenues in fiscal 1992, Hosokawa said. But the government will not take steps, like placement of deficit-financing bonds, which he said will transfer the financial burden to future generations. Japan last issued such bonds in fiscal 1989.

The Finance Ministry suffered a deficit of more than 1.5 trillion yen in its general-account balance in fiscal 1992, the first deficit in 11 years.

#### **Labor Ministry Seeks To Raise Retirement Age**

*OW0908102493 Tokyo KYODO in English 1016 GMT 9 Aug 93*

[Text] Tokyo, Aug. 9 KYODO—New Labor Minister Chikara Sakaguchi said Monday [9 August] he will study the possibility of raising the retirement age in connection with a review of the pension system. The pension system will be reviewed next year, and if the eligibility age for a pension is raised to 65 from the present 60, the raising of the retirement age will naturally come up as a major issue, he said.

Sakaguchi made the remarks in a news conference after the first meeting of the cabinet of new Prime Minister Morihiro Hosokawa.

Some people in their 60s want to work as long as possible while some others want to retire earlier, and therefore it is important to provide job opportunities for those who are willing to work, he said.

#### **Hata Urges Review of Nation's World War II Past**

*OW0908174693 Tokyo KYODO in English 1421 GMT 9 Aug 93*

[Text] Tokyo, Aug. 9 KYODO—Deputy Prime Minister and Foreign Minister Tsutomu Hata on Monday [9 August] reiterated that Japan must apologize and come to grips with its actions up to and during World War II. But Hata told reporters that the timing and content of the proposed "clarification" of Japan's view on the war that raged some five decades ago remains to be worked out. He said he has exchanged views on the subject with Prime Minister Morihiro Hosokawa.

Speaking in an interview with KYODO NEWS SERVICE, Hata said that rather than focusing on Asia or another specific target, a broader review of the war should be undertaken. He said such a review would

obviously entail reflection on the mental anguish and physical suffering that was inflicted on peoples in foreign lands and in Japan.

Hata, who co-founded Shinseito (Japan Renewal Party) with Ichiro Ozawa in June, suggested that Hosokawa announce the cabinet's position on the issue of Japan's wartime past. The Diet should take it from there and publicly affirm Japan's sentiment that "fighting is not a good thing," he said.

Hata said the review should impress upon the next generation and the generations to follow how cruel war is, and that their predecessors were responsible for atrocities.

He said he "regrettably" would not pay an official visit to the Yasukuni Shrine as he has done for the past two decades. Doing so in his position as foreign minister would run the risk of creating "misunderstandings" in other countries, he said. But he did not rule out visiting the shrine in a personal capacity.

Yasukuni Shrine is dedicated to Japan's over 2 million war dead. Wartime Prime Minister Gen. Hideki Tojo and other class-A war criminals are enshrined there.

### **North Korea**

#### **Pomminnyon Sends Open Questionnaire to South**

*SK1008110493 Pyongyang KCNA in English 1024 GMT 10 Aug 93*

[Text] Pyongyang, August 10 (KCNA)—The North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon) sent a 7-point open questionnaire to the South Korean authorities who are blocking the opening of the Fourth Pannational Rally (PNR) in Seoul and demanded responsible answers to it.

The questionnaire includes questions about the "civilian government," its "promise" to "establish a reunification policy" through "open dialogue," its aim in crying for "an international mutual assistance system" and about the lack of its will to reunify the country through the great unity of the nation.

The following points are stressed:

If the present "regime" is a "civilian power" different from the former regimes of military dictatorship, as the South Korean authorities claim, they must enlist the wisdom of broad masses, shape the policy reflecting the people's will and carry it into practice in the reunification question.

The South Korean authorities should not come out with the poor excuse that the opening of the Seoul PNR "is manipulated by the North behind the scene," but frankly



admit that they are trying to block it, afraid that it would stir up the fervor of reconciliation, unity and reunification within the nation.

They should, though belatedly, frankly open to the public their intrigues to drive a wedge between the "meeting of human belt" and the PNR and split the reunification movement and should unconditionally and immediately stop them now.

If they have the slightest intention to fulfil their election "commitments," they should create conditions for making the PNR a broad plaza of wide-range reunification dialogue.

Deeply conscious that it is the best way of saving the face of "civilian government" to open the tightly closed South Korean society, first of all, the South Korean authorities must remove, though belatedly, the legal and institutional mechanisms including the "National Security Law" that block national reconciliation, unity and independent civilian exchange and allow the delegates of the North and overseas sides to participate in the Seoul PNR.

The South Korean authorities should ponder over the possible consequences, in case they run about aimlessly for "an international mutual assistance system" directed against fellow countrymen, while barring the pannational patriotic reunification movement for resolving the national problem with the united strength of the compatriots in the North, the South and overseas.

They should not make vain efforts to fool anyone by such empty slogans as "reconciliation" and "reunification," but should face a judgement by the nation, frankly disclosing their ulterior intention averse to the reconciliation and unity of the nation and the reunification of the country.

#### **Daily Urges ROK Not To Block Pannational Rally**

*SK1008135193 Pyongyang Korean Central  
Broadcasting Network in Korean 0020 GMT 10 Aug 93*

[NODONG SINMUN 10 August commentary: "The Common National Festival for Reunification Should Be Realized"]

[Text] Today all fellow countrymen unanimously want to see the Fourth Pannational Rally and Third Great Youth and Student Reunification Festival being held splendidly as a significant common national festival. These two events will actively inspire the nation's aspiration to reunification and will open a new phase in reunification of the 1990's.

The pannational rally has been held on the occasion of the anniversary of 15 August national liberation each year from the first year of the 1990's. This rally is a reunification festival which was proposed for the first

time by organizations of national democratic reunification movement in South Korea and which was realized with response to this proposal from reunification movement organizations in the North, the South, and overseas. This rally is an authoritative plaza of reunification dialogue in which compatriots from all walks of life at home and abroad who want national reconciliation and unity broadly participate.

This year the preparatory committee for the South side's headquarters of the National Alliance for the Country's Reunification [Pomminnyon] proposed the holding of the Fourth Pannational Rally in Seoul from 13 to 15 August and is actively pushing ahead with preparations for the rally. This inspires new confidence of all fellow countrymen in the bright future of national reunification and gives courage to them.

Actively responding to this, the North side's headquarters of Pomminnyon and the North side's headquarters of the National Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon], held a joint congress of central committees on 4 August and decided to send 300 delegates of the North side's headquarters of Pomminnyon and Pomchonghangnyon to Seoul through Panmunjom on 13 August and are making full preparations for the rally. This decision was prompted by the aspiration to hold the Seoul pannational rally splendidly as a great common national festival for reunification.

If the Fourth Pannational Rally and Third Great Reunification Festival of Youth and Students are held as a great common national festival and as a splendid reunification festival for national unity in which the delegates of Pomminnyon and Pomchonghangnyon from the North, the South, and overseas participate, as desired by all fellow countrymen, a new phase in national unity and reunification and bright prospect for reunification in the 1990's will open.

However, the situation taking place in South Korea evokes the serious concern of fellow countrymen at home and abroad with the future of the Fourth Pannational Rally and Third Great Reunification Festival of Youth and Students.

Since officials of the South side of Pomminnyon proposed the holding of the Fourth Pannational Rally in Seoul, the South Korean authorities hastily held a meeting of so-called public security-related ministers chaired by prime minister and regarded Pomminnyon as a heretic and branded its reunification movement as illegal by talking about someone else's behind-the-scenes manipulation.

Claiming that the pannational rally goes counter to the spirit of the North-South agreement, they declared a policy of essentially blocking the rally. Thus, they are undisguisedly disturbing the holding of the Seoul rally. They even blocked the southward road of three working-level delegates from our side who went to Panmunjom in



order to attend the tripartite working-level talks to prepare for the successful rally.

Such an act by the South Korean authorities is an intolerable challenge to the aspirations and desire of 70 million fellow countrymen for national reunification. It is a unpardonable criminal act designed to block the trend of the nation toward reconciliation and unity. It fully exposes deceitful nature of civilian politics they propagandize.

What should not be overlooked is the fact that the South Korean rulers are scheming to frustrate the Seoul pannational rally by bringing to the front the Agency for National Security Planning [NSP]—the general headquarters of intelligence and conspiratorial politics.

Today the NSP is unscrupulous about methods and measures in an attempt to sow seed of discord within the ranks of reunification movement and to split and destroy the South side's reunification movement forces who are leading the pannational rally.

As has been widely known to the world, Pomminnyon is not an organization which follows only a certain side's system and ideology or opposes a certain party by following only one side of the North and the South.

Pomminnyon is a unified pannational reunification movement organization of compatriots at home and abroad. Pomminnyon was organized under the purpose of achieving national reunification based on the three principles of national reunification—the common national reunification program—and by pooling together the strength and wisdom of the whole country.

Furthermore, the pannational rally, which will be held under the auspices of Pomminnyon, is not the rally to isolate someone or to support one side or to oppose someone's system. The pannational rally, as its own name, is a playground of national conciliation and unity transcending ideology, political view, and religion. This is also a grand plaza of national conciliation that leads all fellow countrymen to concentrate their all efforts and will on reunification.

If the South Korean authorities really want the national unity and reunification, and if they want to carry out the civil politics, they must legalize the reunification movement conducted by Pomminnyon, recognize the joint festivals such as the fourth Seoul pannational rally, and positively guarantee its successful holding, differently from what was done by the former sixth republic military dictatorial government.

Nevertheless, the South Korean ruling forces attempt to completely block the pannational rally while regarding Pomminnyon as a heretic and viewing the rally as illegal, as was done during the sixth republic. Their act therefore cannot be forgiven.

It is well known that the South Korean ruling forces have talked about conciliation and reunification under the

cloak of the civil government. The South Korean authorities' real act shows, however, that they are not interested in the North-South conciliation as well as in the national reunification.

How can we expect that the South Korean authorities, who had refused even the arrival of three delegates from the North to attend the working-level meeting for the pannational rally, have their intentions to promote the North-South conciliation and unity. How can we dare to say that they, who are very afraid of the broad and grand festival for national conciliation and reunification—such as the pannational rally—being held, have the will to realize the reunification.

The South Korean Kim Yong-sam government, which calls itself the civil government, is also no more than an antireunification separatist [punyolchuui] government that only perpetuates confrontation and eternal division as was done during the fifth or sixth republics. No one can block the unceasing flow of the reunification movement conducted by all fellow countrymen who are the main forces of the reunification.

Under the situation in which the South Korean authorities' plot to block the rally is becoming more insidious, the dissident organizations and youth and students organizations, including the Korean Federation of General Student Organization, in the southern area are now vigorously struggling to hold the fourth pannational rally as the national common festival for reunification.

The fourth pannational rally will be held amid the great expectation and interest of all fellow countrymen and must be held grandly as the national common festival for reunification in which all people, including delegates from the North, South, and abroad, can participate together. This rally must not be therefore blocked by any one.

Persons who are conducting the reunification movement in the North, South, and abroad, must firmly unite as one around the banner of Pomminnyon and smash [chibusuda] the mean plots designed by the separatist forces at home and abroad. As a result, they must adhere to the Pomminnyon, a nationwide coalition of reunification movements, and successfully hold the fourth pannational rally as the festival for the national unity and as the great reunification event of 70 million fellow countrymen.

Although the South Korean authorities want to put a side bar on the long road to the national reunification, this is a foolish act. The South Korean authorities must correctly see the trends of times and the aspiration of fellow countrymen, and act with discretion. Also, they must immediately stop manipulating criminal plot of blocking the road ahead to fellow countrymen in the North, South, and abroad who want to successfully hold the fourth pannational rally. If they do not so, they will be regarded as antireunification separatist groups, who turn



back to nation, and will not avoid themselves from meeting the admonishment and denouncement made by all fellow countrymen.

**Committee Spokesman Denounces ROK-U.S. Exercises**

*SK1008051693 Pyongyang KCNA in English 0448  
GMT 10 Aug 93*

["South Korean Authorities Urged To Cancel Nuclear War Maneuvers"—KCNA headline]

[Text] Pyongyang, August 10 (KCNA)—A spokesman of the Committee for the Peaceful Reunification of the Fatherland issued a statement today.

The statement denounces the United States and the South Korean rulers for having agreed to stage the adventurous "Team Spirit" joint military exercises against the DPRK next year, too, and the "Ulchi Focus Lens" training from August 17 to 31, and urges them to cancel the projected exercises at once.

It says:

Today more and more Koreans at home and abroad welcome and support "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" and the sentiments of great national unity and peaceful reunification are growing stronger than ever before with the approach of the Fourth Pan-national Rally. At this moment, the South Korean authorities scheme to hold nuclear war exercises again in collusion with outside forces. This is a very dangerous play with fire rendering the situation of the Korean peninsula strained and a grave challenge to the nation's desire for peace and reunification.

Worse still, the South Korean authorities are going to stage nuclear war exercises threatening the North after proposing dialogue with it with regard to the "nuclear problem." This reveals the deceptive nature of their proposal for dialogue.

This also clearly shows that the present "regime" of South Korea which is answering the desire of the fellow countrymen for peaceful reunification with the nuclear war gamble, while obstructing the Fourth Pan-national Rally in Seoul at the point of bayonet, is a belligerent and separatist "regime" which is little different from the preceding military fascist dictatorial "regimes."

The South Korean authorities must immediately cancel the projected reckless nuclear war provocation moves which will inflict immeasurable misfortunes and sufferings on the nation.

If the South Korean authorities persistently seek a nuclear war in defiance of our just warning, they will be wholly to blame for its consequences.

The United States must be mindful that the resumption of the nuclear war exercises against the DPRK on the

Korean peninsula will impair the idea of the DPRK-USA joint statement and unfavorably affect the progress of the talks between the two countries and the settlement of the nuclear problem.

**NODONG SINMUN: Japan Poses Nuclear Threat**

*SK0808111693 Pyongyang KCNA in English 1026  
GMT 8 Aug 93*

["Sinister Intention Lurking Behind Outcries Over 'Threat to Security'"—KCNA headline]

[Text] Pyongyang, August 8 (KCNA)—The Korean people will never tolerate the attempt of Japan to get something from its anti-communist smear campaign against the DPRK, warns NODONG SINMUN today.

The paper says in a by-lined article:

These days the Japanese reactionaries allege that "nuclear development" of the DPRK poses a new military "threat" to Japan's "security" and openly argue that the possibility of Japan's possession of nuclear weapons to cope with it cannot be excluded.

This makes all the clearer what lurks behind their outcries over "nuclear development" of the DPRK.

They plan to stockpile 400 tons of plutonium in 30 years. With that amount 40,000 nuclear warheads can be manufactured. Then, Japan might become a nuclear power surpassing the United States and Russia.

The outcries of the Japanese reactionaries over the "threat" to Japan's security posed by the DPRK's "development of nuclear weapons" are a crafty ruse to justify their criminal scheme of nuclear armament.

They do not want peace and security in Korea but hope that the tension and confrontation will be aggravated in this part of the world.

It is because there will be no more excuse for their building of a military power and nuclear armament when the tension is eased and a peaceful climate is created on the Korean peninsula.

A new "threat" replacing the "threat from the Soviet Union" is necessary for Japan which is accelerating the building of a military power and nuclear armament today when the confrontation structure between East and West has collapsed and the Cold War ended. The Japanese reactionaries scheme to use the fictitious "nuclear development" of the DPRK as an excuse for converting Japan into a military power and arm it with nuclear weapons.

Although they act craftily and try to cover their dark intention, no one will be cheated.

Those who take the road of aggression and war, going against the people's desire for peace and the trend of the times, will face a stern judgement by history.



**Ugandan Government Educational Delegation Arrives**

*SK0908024993 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 7 Aug 93*

[Text] An Ugandan Government educational delegation headed by Education and Sports Minister Amanywa Mushega flew into Pyongyang on 7 August. Education Committee Chairman Choe Ki-yong received the delegation at the airport.

**Meets With Culture Minister**

*SK0908110493 Pyongyang KCNA in English 1030 GMT 9 Aug 93*

[Text] Pyongyang, August 9 (KCNA)—Vice-premier and Minister of Culture and Art Chang Chol met and had a friendly conversation with the Ugandan Government educational delegation led by Amanywa Mushega, minister of education and sports, at the Mansudae Assembly Hall today.

Present there was chairman of the State Education Commission Choe Ki-yong.

**New Finnish Ambassador Arrives in Pyongyang**

*SK0908063793 Pyongyang KCNA in English 0414 GMT 9 Aug 93*

[Text] Pyongyang, August 9 (KCNA)—Newly appointed Finnish Ambassador E.P. [extraordinary and plenipotentiary] to Korea Ilka Ristimaki arrived here Sunday by train.

**Meets Foreign Minister**

*SK0908110293 Pyongyang KCNA in English 1029 GMT 9 Aug 93*

[Text] Pyongyang, August 9 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam met and conversed with new Finnish Ambassador to Korea Ilka Ristimaki when the latter paid a courtesy call on him today.

**Kim Il-song Sends Message to Singaporean President**

*SK0808085593 Pyongyang KCNA in English 0831 GMT 8 Aug 93*

[Text] Pyongyang, August 8 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Wee Kim Wee on the national day of the Republic of Singapore. Expressing the belief that the friendly relations between peoples of Korea and Singapore would develop in the interest of the two peoples, the message wished the president and people of Singapore and great success in their work for the prosperity of the country.

**MINJU CHOSON Marks Singapore's Independence Day**

*SK1008105093 Pyongyang KCNA in English 1009 GMT 10 Aug 93*

[Text] Pyongyang, August 10 (KCNA)—MINJU CHOSON today dedicates a by-lined article to the independence day of the Republic of Singapore.

After the independence, the Singaporean people have made great successes in the work for national prosperity, the article notes, and says:

Singapore is making efforts for peace and security in Southeast Asia and its common prosperity.

Korea and Singapore, both Asian countries, have established bonds of friendship and are developing economic and cultural relations with each other.

The Korean people extend congratulations to the Singaporean people on their independence day and wish them greater success in their future efforts for the prosperity and development of the country.

**Envoy to Tunisia Meets Moroccan Party Leader**

*SK0708151493 Pyongyang KCNA in English 1504 GMT 7 Aug 93*

[Text] Pyongyang, August 7 (KCNA)—Ali Yata, general secretary of the Moroccan Progress and Socialism Party, when he met the Korean ambassador to Tunisia on July 30, said that the United States should make efforts to implement the DPRK-USA joint statement and renounce nuclear threat to the Democratic People's Republic of Korea.

Expressing full support to the policy of the Workers' Party of Korea for independent and peaceful reunification, he said that the Pyongyang declaration is a highly important guideline which the world people must tightly hold in defending and advancing socialism.

**Kim Chong-il Sends Thanks to Various Industrial Units**

*SK0708042193 Pyongyang KCNA in English 0404 GMT 7 Aug 93*

[Text] Pyongyang, August 7 (KCNA)—The dear leader Comrade Kim Chong-il, supreme commander of the Korean People's Army, extended thanks to the South Hamgyong Provincial Administrative and Economic Committee, the Taesong General Bureau, the Hwanghae Iron and Steel Complex, the Yupyong Forestry Station, the Yiwon Garment Factory, the Kaechon Commercial Management Office and many other units which had displayed the traditional traits of Army-people unity.

Officials and employees of these units had deepened the feeling of Army-people kinship visiting soldiers with warm hearts of valuing and loving them as their own



flesh and blood and congratulating them on their achievements in combat and political training.

**Workers Party Receives Messages From Zaire, Norway**

*SK0808110293 Pyongyang KCNA in English 1014  
GMT 8 Aug 93*

[Text] Pyongyang, August 8 (KCNA)—Messages of greetings came to the Central Committee of the Workers' Party of Korea from Otete Gaston Mboyo, national chairman of the national movement of the genuine lumumbist combatants of Zaire, and Sulbeig Omdal, chairman, and Arnljot Ask, international secretary, of the Norwegian workers Communist Party, on the occasion of the 40th anniversary of the Korean people's victory in the war.

The national chairman of the national movement of the genuine lumumbist combatants of Zaire in the message says that the immortal exploits performed by the heroic Korean People's Army, the immediate successor to the traditions of the Korean people's revolutionary army, and the Korean people will shine for ever in the history of the revolutionary struggle of the Workers' Party of Korea.

The election of the dear leader Comrade Kim Chong-il as chairman of the National Defence Commission is a clear token of the unshakable will of the Workers' Party and people of Korea to accomplish under his wise guidance the revolutionary cause of *chuche* pioneered by comrade President Kim Il-song, the great leader, the message says.

The leaders of the Norwegian Workers Communist Party in their message say that their party will take an active part in the struggle to frustrate the machinations of the imperialists against the Democratic People's Republic of Korea and, to this end, intensify the movement for solidarity with the Korean people.

**Foreign Communists Send Greetings to Kim Il-song**

*SK0908074693 Pyongyang KCNA in English 0401  
GMT 9 Aug 93*

[Text] Pyongyang, August 9 (KCNA)—The great leader President Kim Il-song received messages of greetings from first secretary of the C.C. [Central Committee], the Communist Party of Bulgaria Vladimir Spasov, chairman of the National Committee of the League of Communists-Movement for Yugoslavia Dragomir Dracukovic and chairman of the Slovak Communist Party Vladimir Dado on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

They in the messages extended warmest congratulations to President Kim Il-song on this occasion and wished him good health and long life.

They highly estimated all the efforts of the Korean people to achieve the reunification of Korea and defend the sovereignty and dignity of the country.

Messages of greetings also came to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il from chairman of the C.C., the Brazilian Communist Party Joao Amazonas and chairman Argelia Raya, general secretary Freddy Munoz and international secretary Jorge Valero of the Venezuelan Movement to Socialism on this occasion.

**Foreign Leaders Send Messages**

*SK1008044993 Pyongyang KCNA in English 0419  
GMT 10 Aug 93*

[Text] Pyongyang, August 10 (KCNA)—The great leader President Kim Il-song received messages of greetings from party leaders of different countries on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

Messages came from Arsene Bongnessan Ye, chairman of the Organisation for People's Democracy-Labour Movement of Burkina Faso; Emile Kibala Bey a Nsien, national chairman of the Workers' Party of Zaire; Leon Nzokene, general secretary of the Congolese Socialist Party; Ingve Iversen, chairman, and Dag Norum, international secretary, of the Central Committee of the Norwegian Communist Party; Michael Hicks, general secretary of the Britannic Communist Party; Rolf Hagel, chairman of the Workers' Party-Communists of Sweden; Roberto Gabriele, general secretary of the Movement for Peace and Socialism of Italy; Ryudmila Vartazaroba, chairman of the Socialist Party of Labouring Workers of Russia; Miroslav Grebenicek, chairman of the Central Committee of the Czechy-Morava Communist Party; Alexandr Alexandrovich Moroz, chairman of the Political Council of the Socialist Party of Ukraine; and Mohamedoun Dicko, secretary general of the Executive Committee of the African Party for the Solidarity and Justice of Mali.

In the messages they extend warmest congratulations to President Kim Il-song and wish him a long life in good health.

They express full support and militant solidarity for the Korean people's cause of the independent and peaceful reunification of the country.

President Kim Il-song received a message of greetings from Milud Al Mahdabi, general secretary of the Permanent Secretariat of the Progressive Organisation of Socialists in the Mediterranean.

**Peruvian Communist Party Sends Letter**

*SK1008103693 Pyongyang KCNA in English 1004  
GMT 10 Aug 93*

[Text] Pyongyang, August 10 (KCNA)—The great leader President Kim Il-song received a letter from Renan



Raffo Munoz, general secretary of the Central Committee of the Peruvian Communist Party.

The letter informs him of the content of the resolution adopted at the 8th plenary meeting of the party Central Committee.

Considering that the initiatives of the DPRK for peace, denuclearization and reunification of the Korean peninsula guarantee a durable peace, the resolution expresses full support and solidarity for the DPRK Government and people.

It strongly denounces the military provocations against the DPRK and the U.S. President's interventionist threat and demands the withdrawal of the U.S. military bases and troops from the Korean peninsula.

The letter says that the resolution was also carried with unanimous approval at the National Conference of Communist Youth of Peru held in Inca.

#### **Kim Chong-il Receives Greetings From Abroad**

*SK0808105393 Pyongyang KCNA in English 1001  
GMT 8 Aug 93*

[Text] Pyongyang, August 8 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from Ingve Iversen, chairman, and Dag Norum, international secretary, of the Central Committee of the Norwegian Communist Party; Leonel Mario Da Alva, chairman of the Democratic Convergence Party and Reflexion Group of Sao Tome and Principe; Otete Gaston Mboyo, national chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire; Trino Melean, secretary-general of the Central Committee of the Communist Party of Venezuela; and Gerald Perreira, general secretary of the National Movement for the Authentic Independence of Guyana; and a solidarity message from Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru; on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war. They extend warmest congratulations to Comrade Kim Chong-il on the 40th anniversary of the Korean people's victory in the fatherland liberation war and wish him a long life in good health.

They express firm solidarity with the Korean people in their vigorous struggle to continue consolidating and developing socialism and accelerate the national reunification in singlehearted unity under the wise guidance of Comrade Kim Chong-il.

#### **Receives Messages From Party Leaders**

*SK1008045293 Pyongyang KCNA in English 0424  
GMT 10 Aug 93*

[Text] Pyongyang, August 10 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings

from foreign party leaders on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war.

Messages came from C.R. Aslam, president of the Pakistan Socialist Party; Rashed Khan Menon, general secretary of the Central Committee of the Workers' Party of Bangladesh; Moses M. Garoeb, secretary general of the South West Africa People's Organisation of Namibia; Arsene Bongnessan Ye, chairman of the Organisation for People's Democracy-Labour Movement of Burkina Faso; general secretary Indalicio Sayago Herrera and international secretary Francisco Hernandez Juarez on behalf of the national leadership of the Central Committee of the Socialist People's Party of Mexico; Angel Castro Lavarello, chairman of the National Executive Committee of the Left Revolutionary Union of Peru; I.B.A. Kelepha Samba, national president of the People's Progressive Party of Gambia; Vladimir Dado, chairman of the Slovak Communist Party; Vladimir Spasov, first secretary of the Central Committee of the Communist Party of Bulgaria; Marian Donnelly, president, and Pat Quearney, general secretary, of the Workers' Party of Ireland; and Vassos Lyssarides, chairman of the Central Committee of the Socialist Party of Cyprus.

In the messages they extend warmest congratulations to Comrade Kim Chong-il and wish him good health and long life.

They express the belief that the Korean people and People's Army will defend the sovereignty and security of the country like an impregnable fortress and realize national reunification under the wise guidance of Comrade Kim Chong-il.

#### **Kim Il-song Sends Message to President of Chad**

*SK1008110893 Pyongyang KCNA in English 1015  
GMT 10 Aug 93*

[Text] Pyongyang, August 10 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Monday sent a message of greetings to Idriss Deby, president and head of state of the Republic of Chad, on the occasion of the 33rd anniversary of the Chadian independence.

President Kim Il-song noted in the message that the Chadian people are working hard to achieve national reconciliation and stability of the country and develop the economy.

Expressing the belief that the friendly relations between the two countries would continue to develop, he wished the Chadian president and people greater success in their future work.



### **KCNA Reports Reunification March Held in Japan**

*SK0708104993 Pyongyang KCNA in English 1023 GMT 7 Aug 93*

[Text] Fukuoka, August 5 (KNS-KCNA)—A "grand march of Korean youth and students in Japan for the great unity of the whole nation and the reunification of the country" is in progress in the Fukuoka-Tokyo section. The distance between the two cities is 1,200 kilometres equal to the distance from the Northern to the Southern end of Korea.

A starting ceremony of the grand march squad was held in Fukuoka Wednesday.

Speaking there, So Man-sol, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), said the grand march was beginning at a time when the Chongnyon officials and compatriots were busing themselves with a signature campaign for bringing into practice the 10-point programme of the great national unity and the work for a successful holding of the 4th Pan-national Rally. The grand march will be helpful towards national reunification and grandly demonstrate the firm will to achieve reunification through confederacy, he stated.

### **Visiting Korean Residents of Japan Depart Pyongyang**

*SK1008110693 Pyongyang KCNA in English 1025 GMT 10 Aug 93*

[Text] Pyongyang, August 10 (KCNA)—The congratulatory group of Korean Residents in Japan led by Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, left here today after attending the celebrations of the 40th anniversary of the victory in the great fatherland liberation war.

The group was seen off at the airport by Kim Yong-sun, Chang Chol and other officials concerned.

### **NODONG SINMUN Stresses 'Class Consciousness'**

*SK1008103793 Pyongyang Korean Central Broadcasting Network in Korean 0015 GMT 8 Aug 93*

[NODONG SINMUN 8 August special article: "The Class Consciousness of the Working Class Is the Core of Socialist Ideology"]

[Text] The dear leader Comrade Kim Chong-il presented a unique ideology in stating that the class consciousness of the working class is the core of socialist ideology, and wholly elucidated the theoretical and practical problems of firmly arming the working popular masses with the class consciousness of the working class.

The dear leader Comrade Kim Chong-il has pointed out: The class consciousness of the working class constitutes

the core of socialist ideology and the basis for socialist indoctrination is enhancing class consciousness.

The class consciousness of the working class is an ideological consciousness reflecting the independent demand and interest of the working class. It is filled with the awareness of the working class and the popular masses as the masters of their fate and with their will to pioneer their own fate.

The class consciousness of the working class reflects the will and desire of all of the popular masses including the working class who are trying to enjoy an independent and creative life. Therefore, this becomes the ideology and consciousness which the people struggling for victory in the socialist cause should possess.

Class consciousness which is filled with the independent desire and demand of the working class becomes the core of socialist ideology. This means that socialist ideology stems from the class consciousness of the working class and that socialist ideology is being developed from this. In other words, the essence and contents of socialist ideology are regulated based on the class consciousness of the working class, and this signifies that class consciousness prevails in overall socialist ideology.

In its essence, socialist ideology is the revolutionary ideology of the working class. Originally, the socialist idea emerged reflecting the independent will and desire of the working class. Stemming from its class position, the working class is stronger in revolutionary spirit than any other class, endlessly hates an exploiting system and exploiting class, and has enthusiastic will for socialism.

To the working class, socialist ideology is becoming the guideline for life and struggle and the most ideological spirit. Therefore, the working class should accept socialist ideology as the ideology of its class and fight at the fore for its realization. Today, our party is developing and enriching socialist ideology on a full scale based on the *chuche* idea, and based on that it is completing a socialist society of our own style.

*Chuche* socialist ideology elucidated by our party is the most scientific and revolutionary ideology which leads the socialist cause to victory. The greatness and invincibility of the *chuche* socialist idea lies in the fact that its core is the class consciousness of the working class. *Chuche* socialist ideology clearly states that socialism becomes the master of all of the popular masses, everything serves the popular masses, and thus it is the most advanced society which is endlessly developing from the united strength of the popular masses.

Here, the class demands for the working class which always fights at the fore to realize the independence of the popular masses and whose might of unity and organizing ability are stronger than any other class, is embodied on a full scale.

The demand of the working class is to be liberated from all kinds of subordination and restriction so that an



independent and creative life can be enjoyed. The historical mission of the working class is to liberate all members of society from all kinds of subordination and restriction so as to completely realize the independence of the popular masses.

Chuche socialist ideology is based on the class consciousness of the working class. Therefore, its truthfulness and revolutionary spirit are thoroughly guaranteed.

As historical experience shows, people who are loyal to socialist ideology are people who are firmly armed with the class consciousness of the working class. Only people who have firm class consciousness can fight to the end down the road taught by socialist ideology.

Originally, socialist ideology is the revolutionary ideology of the working class that elucidates laws of developing nature and society, the principle and legitimacy of the revolutionary struggle, and strategies and tactics.

In chuche socialist ideology, all the problems in the struggle to realize the independence of the popular masses are wholly elucidated. This stems from the class consciousness of the working class.

More than any other class, the working class is keenly interested in the revolution. High class consciousness thoroughly safeguards and realizes the interest of its own class in the revolutionary struggle. Therefore, class consciousness possessed by the working class plays an important role in the renege of the exploitative system that tramples and suppresses the independence of the working popular masses and in the struggle to construct a socialist society.

When people are firmly armed with the class consciousness of the working class and have a firm position and point of view of the working class, they can correctly understand the law of developing nature and society, the legitimacy of the historical movement of the society, and the strategies and tactics of the revolutionary struggle. They can also deeply recognize the truthfulness and justness of socialist ideology and fight persistently.

Therefore, for the people to firmly arm themselves with socialist ideology means arming themselves with the class consciousness of the working class.

Truly, a great achievement that contributed to the development of the revolutionary theory of the working class is the dear leader Comrade Kim Chong-il's ideology of the class consciousness of the working class becoming the core of socialist ideology. With the elucidation of this ideology, revolutionaries and people were able to smash [chitbusida] any interference and maneuvers by the imperialists and reactionaries and possess a mighty ideological and theoretical weapon which endlessly advances the socialist cause. This ideology is most of all a guiding principle making it possible to safeguard the purity of socialist ideology.

The problem of safeguarding the purity of socialist ideology in a socialist society in which ideology becomes

a life is a very important problem related to its fate. The purity of ideology can be thoroughly guaranteed when the basis of its ideology is firmly adhered to.

When class consciousness of the working class which is the core of socialist ideology is ceaselessly enhanced among the people, the purity of socialist ideology is thoroughly safeguarded. Of course, socialist ideology must be continuously developed and enriched in accordance with the demands of the time and the developing revolution, but the basic ideology of socialism which reflects the independent demand and interest of the working popular masses must not change.

The basic ideology of socialism is based on the class consciousness of the working class. Whether it guarantees the purity of socialist ideology virtually depends on how class consciousness of the working class is adhered to. In this regard, we can say that the struggle to safeguard the purity of socialist ideology is the struggle to enhance class consciousness among the working class.

Only those who have high class consciousness can precisely differentiate the different kinds of ideological trends that tarnish the purity of socialist ideology and fight them uncompromisingly. Today, imperialists and reactionaries are maneuvering fiercely to tempt us with the bourgeois wind of freedom in order to spread bourgeois ideology and contaminate the purity of socialist ideology so that our people's faith in socialism is destroyed.

Confrontation with class enemies is, above all, ideological confrontation. Also, the decisive key to winning this confrontation is to struggle with high class consciousness always.

Historical experience shows that unless the popular masses have high class consciousness, they fail to defend the purity of the socialist ideology against ideological offensives posed by the revolution's enemy and that under such circumstances, they finally come to be deprived of revolutionary gains which were attained with the cost of their blood.

Because they accept working-class-oriented class consciousness as the core of socialist ideology, our people came to have an accurate yardstick with which they can discriminate any strange ideological trend that contradicts socialist ideology, thus resolutely struggling while disallowing even the slightest expression of bourgeois ideology that blemishes socialist ideology.

This ideology is the guideline that enables our people to always keep revolutionary principles in implementing the socialist cause. Invariably adhering to revolutionary principles while carrying out the revolution and construction basically guarantees the consummation of the socialist cause.

As the environment and conditions for the revolutionary struggle change in the course of building socialism and communism, revolutionary strategies and tactics may



change. However, there should be no change in the basic principle of socialist construction that the popular masses' demand for independence and their interests should be defended and realized completely.

One can firmly adhere to revolutionary principles when one has high class consciousness. Only with high class consciousness can one think and act from the working popular masses-oriented viewpoint and position and struggle for the working popular masses' interest under any circumstances. Moreover, because the struggle to realize the popular masses' demand for independence and their interest is accompanied by fierce struggles against various class enemies, having high class consciousness is an important question determining whether one will or will not defend revolutionary principles.

Those who have working class-oriented class consciousness take a firm class-oriented stand and high class-oriented determination and keep only revolutionary principles and working class-oriented principles without making no concession or compromise in the confrontation with the class enemy. Only when one has class consciousness, can one correctly understand the reactionary nature of the exploiting class and its system, always adhere to revolutionary principles, and smash any maneuver by imperialists and reactionaries. This is a truth that was proved worthy by historical experience.

Today, our people always adhere to revolutionary principles with no illusion about the class enemy and invariably uphold the banner of the *chuche* idea and the banner of socialism because they are thoroughly armed with working class-oriented class consciousness. In particular, our party's scientific elucidation on the position and role of the working class-oriented class consciousness in the context of the socialist ideology has made it possible to give priority to enhancing class consciousness in the struggle to defend revolutionary principles. Any threat, blackmail, appeasement, or deception by imperialists and reactionaries will never work with our people who are firmly armed with the *chuche* idea.

All party members and working people should firmly arm themselves with the dear leader Comrade Kim Chong-il's ideologies and theories and should thoroughly embody them. By doing so, they will protect, defend, and glorify the popular masses-oriented socialism of our own style.

#### **KCNA Reviews 7 Aug Pyongyang Press**

SK0708052893 *Pyongyang KCNA in English* 0437  
GMT 7 Aug 93

[Press review]

[Text] Pyongyang, August 7 (KCNA)—Papers here today report that classical works of the great leader President Kim Il-song were disseminated and studied in different countries.

NODONG SINMUN reports that works of the dear leader Comrade Kim Chong-il were carried by foreign newspapers.

Printed in the daily is a solidarity message to President Kim Il-song of the Democratic People's Republic of Korea sent by Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organisation, on the occasion of the month of solidarity with the Korean people.

President Kim Il-song received a letter of thanks from the general secretary of the Central Committee of the Communist Party of Colombia who had participated in the celebrations of the 40th anniversary of the war victory, and the special envoy of the leader of the Great September First Revolution of Libya sent a message of thanks to President Kim Il-song and Comrade Kim Chong-il, according to the daily.

The paper tells a story that Comrade Kim Chong-il initiated the building of Anhak-tong Village situated in the suburbs of Pyongyang as a model village in-modern rural housing construction and wisely led the work.

The paper informs the readers that a seminar on the commandership of Comrade Kim Chong-il, supreme commander of the Korean People's Army, was held in Yugoslavia.

Conveyed in the paper are voices of the world public on the invincibility of the Korean people's army which has the illustrious leader.

Econews of papers deal with the completion of the project of continuous plate roughing machine at the Hwanghae Iron and Steel Complex and innovations in different domains of the national economy including coal, forestry and shipbuilding.

Papers give an account of a scientific forum held on the occasion of the 45th anniversary of the foundation of the Korean Revolution Museum.

NODONG SINMUN reports that talks were held between delegations of the Workers' Party of Korea and the Workers' Party-Communists of Sweden.

Premier Kang Song-san met with the minister attached to the prime minister of Thailand and his party, papers say.

Seen in papers is a statement issued by a spokesman for the DPRK Foreign Ministry as regards the Japanese Government's publication of results of investigation into the issue of the "comfort women for the army".

Papers carry a statement published by the chairman of the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon) in support of the decision of the South Korean Federation of General Student Councils (Hanchongnyon) to force the fourth Pannational Rally as scheduled despite obstructions by the authorities.



The U.S. imperialists provocatively staged a long-distance bombing exercise and a mid-air refueling exercise with the sky above South Korea as their operational theatre and the South Korean puppets ceaselessly committed military provocations near the demilitarized zone, according to papers.

NODONG SINMUN gives accounts of celebration functions held in different countries on the occasion of the 40th anniversary of the Korean people's victory in the fatherland liberation war.

The paper informs the readers that the Lao Committee for Supporting Korea's Reunification made public a statement on the month of international solidarity with the Korean people.

The chairman of the Special Measure Committee for Postwar Compensation of the Japan Social Democratic Party said the results of the investigation into the issue of the "comfort women for the army" lacked repentance of wartime crimes on the part of the government, the paper says.

Papers report that 'Ali Akbar Hashemi-Rafsanjani took office as president of Iran, the Syrian president called for a continued anti-Israel struggle, the Tunisian president expressed support to the Mid-East peace process, the Kenyan president called for economic development based on home resources and the Miyazawa cabinet of Japan resigned en bloc and the election of new prime minister was delayed.

NODONG SINMUN comes out with an article entitled "Floundering Japanese Economy on the Decline".

#### **Reviews 9 Aug NODONG SINMUN**

*SK0908075093 Pyongyang KCNA in English 0428 GMT 9 Aug 93*

[Review of NODONG SINMUN]

[Text] Pyongyang, August 9 (KCNA)—NODONG SINMUN today carries a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Singaporean President Wee Kim Wee on the occasion of the national day of the Republic of Singapore.

Appearing in the paper are messages of greetings to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il from foreign party leaders on the occasion of the 40th anniversary of the victory of the Korean people in the fatherland liberation war. Works of President Kim Il-song and Comrade Kim Chong-il are studied and disseminated in different countries, according to the daily. The paper informs the readers that the chairman of the French committee to support the founding of the Democratic Confederal Republic of Koryo published an article introducing Kim Chong-suk, an indomitable communist revolutionary fighter and the heroine of the anti-Japanese armed struggle, says the paper.

The paper deals with the successful preparations all over the country for the new school year and the opening of the month of the examination of people's physical strength for the year 1993. Given in the paper is an answer of the spokesman of the North side headquarters of the National Alliance for the Country's Reunification to a KCNA question on the South Korean authorities' manoeuvrings to frustrate the opening of the Seoul Pan-National Rally.

The paper carries news of a demonstration, rallies and sit-down of South Korean students demanding the pullout of the U.S. troops and national reunification and an article exposing the moves of the present ruling quarters to destroy the South Korean Federation of General Student Councils. The paper gives an account of a Ugandan national symposium held on the occasion of the 40th anniversary of the Korean people's victory in the fatherland liberation war on the subject "experience of chuche Korea and people's struggle for true independence" and conveys world public voices praising the chuche idea. It carries a commentary criticising the insincere attitude of the Japanese Government in the solution of the problem of the "comfort women for the army". Japanese newspapers asserted the invalidity of the "Ulsa five-point treaty" in 1905 whereby the Japanese imperialists deprived Korea of its diplomatic right and called for a sincere attitude of the Japanese Government in the solution of the problem of "comfort women for the army," reports the paper. According to the paper, the Malaysian prime minister complained that the Asian Pacific Economic Cooperation was playing into the hands of powerful member nations and India reaffirmed its unwillingness to sign the Nuclear Nonproliferation Treaty.

The paper deals with the strengthening of regional cooperation among Latin America countries.

#### **Reviews 10 Aug Press**

*SK1008050793 Pyongyang KCNA in English 0435 GMT 10 Aug 93*

[Press review]

[Text] Pyongyang, August 10 (KCNA)—NODONG SINMUN today carries messages of greetings to the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, from foreign party leaders on the 40th anniversary of the Korean people's victory in the fatherland liberation war.

Works of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il have been disseminated and studied in different countries, report papers.

NODONG SINMUN informs the readers that the Russian paper PATRIOT carried in its issue No. 31 "With the Century", the reminiscences of President Kim Il-song.



Dailies come out with articles telling that President Kim Il-song put forward a new strategic policy of actively meeting great event of national liberation at a meeting of military and political cadres of the Korean People's Revolutionary Army over August 10-11, 1940 in the period of the anti-Japanese armed revolutionary struggle, and had wisely organized and led the struggle for its realization.

Comrade Kim Chong-il extended thanks to units, officials and working people who have contributed to tightening the Army-people ties, says the press.

Given in papers is an account of a meeting held to mark the 20th anniversary of Comrade Kim Chong-il's on-the-spot guidance to the Mansudae art studio, a reliable creative centre of *chuche*-based fine arts.

New historic relics, remains and materials showing the revolutionary history and exploits of President Kim Il-song and Comrade Kim Chong-il have been supplemented to the exhibits at the Korean revolution museum, a grand seat of ideological education of our party, says NODONG SINMUN.

MINJU CHOSON carries an editorial calling for giving full play to the vitality of the rural theses and an article headlined "To Improve and Strengthen Work of County Power Bodies is Demand for Prosperity and Development of the Country".

Highlighted in the press is the upswing effected by working people in economic construction after celebrating the 40th war victory day as a grand festival of victors. Papers report about a sharp rise in nonferrous metal and power production.

Papers observe day of forestry workers.

Printed in the press is a statement published by the spokesman for the North side's delegation to the North-South high-level talks as regards the South side's "prime minister's" recent telephone message proposing to resume the North-South joint nuclear control committee meeting.

Papers come out with commentaries hitting out at the South Korean authorities' obstruction to the 4th Pan-national Rally [PNR] and the 3rd grand reunification festival of youth and students.

According to papers, the preparatory committee for the formation of the South side headquarters for the promotion of the PNR made public a statement and the "National Coalition for Democracy and Reunification" submitted an open questionnaire to the "prime minister" in protest against the refusal of the authorities to allow the opening of the 4th PNR in Seoul.

An article of NODONG SINMUN says the present "regime" of South Korea is staging massive new war games under the "civilian" veil.

World news of the press includes reports that Comrade Fidel Castro said Cuba was not alone in defending national sovereignty, the Malaysian prime minister proposed the establishment of an Asian mass media network, the Kenyan president denounced Western interference in its internal affairs, and the Chinese Foreign Ministry protested the U.S. for interfering with the voyage of its cargo vessel.

Foreign media reported about the DPRK's publication of "Interim Findings on the Investigation Into the Truth Behind the Case of 'Comfort Women for the Army' Committed by the Japanese Imperialists", says NODONG SINMUN.

Carried in papers are articles on the prevalent narcotic addiction in capitalist countries which has become a grave social problem.

## South Korea

### Strategy Team To Debate North's JNCC Rejection

SK1008072293 Seoul YONHAP in English 0654 GMT  
10 Aug 93

[Text] Seoul, Aug. 10 (YONHAP)—The government's strategy planning team will soon debate a response to North Korea's rejection of a proposal to resume meetings of the Joint Nuclear Control Commission (JNCC), informed sources said Tuesday. Team members will discuss matters concerning negotiations between the International Atomic Energy Agency (IAEA) and Pyongyang on inspections of North Korean nuclear facilities, the pan-national conference scheduled for Sunday, a rally for South-North human chains, and the JNCC, they said.

"Since Pyongyang rejected Seoul's proposal on Monday, the prospect of dialogue between Seoul and Pyongyang seems more remote than when the proposal was made by Seoul," a government official said. "The government is to analyze Pyongyang's intention and then take measures discreetly."

The Foreign Ministry sent Chang Chae-yong, director-general of American affairs, to Washington on Tuesday for a working-level meeting with Deputy Assistant Secretary of State Tom Hubbard on Wednesday. Chang will seek cooperation in a tripartite working-level meeting among Korea, the United States and Japan in New York on Thursday. He will assert that resuming dialogue between Seoul and Pyongyang is a prerequisite to a third stage of dialogue between Washington and Pyongyang, and if North Korea agrees to dialogue with Seoul, the United States should not discuss the third stage with North Korea.

Meanwhile, the government will discuss unification strategy next week in a meeting presided over by Prime Minister Hwang In-song to conclude its position.



**Minister Notes Policy on DPRK Nuclear Issue***SK1008073193 Seoul YONHAP in English 0714 GMT  
10 Aug 93*

[Text] Seoul, Aug. 10 (YONHAP)—South Korea has "exhausted" its store of carrots in trying to induce North Korea to come clean of nuclear suspicion and will rely more on sticks from now, Foreign Minister Han Sung-chu said Tuesday. The foreign minister's remarks indicates a clear turn in South Korea's policy on the issue. Seoul had consistently emphasized a carrot-and-stick strategy, but had stressed inducements such as high-level negotiations between Pyongyang and Washington.

Chang Chae-yong, the director-general of the American Affairs Bureau, who left for Washington on Tuesday, would clear up this point with U.S. officials and map out future steps, Han said.

"The carrots served two purposes. They gave North Korea the justification to compromise with the international community, and they gave us the justification to seek punitive measures when all inducements were exhausted," he said.

North Korea jolted the world community when it announced March 12 it was leaving the Nuclear Nonproliferation Treaty (NPT) in retaliation for demands by the International Atomic Energy Agency (IAEA) to see two key suspected sites.

After two rounds of discussion with the United States in an unprecedented series of direct talks, North Korea suspended its NPT withdrawal and got Washington to promise assistance in nuclear reactor technology.

"We gave everything we could give at the last round of North Korea-U.S. high-level talks," Han said. "Now it's time to show Pyongyang what sticks are in the store."

The decision on playing North Korea's nuclear card apparently had passed back to supreme leader Kim Il-song from his heir and son, Kim Chong-il, Han added. North Korea made a point of saying that the younger Kim had made the decision to leave the NPT, but told the United States in the last round of their high-level talks that the older Kim had personally asked for assistance with nuclear reactor technology, indicating a transfer of final authority.

**IAEA Inspection Team Departs Pyongyang***SK1008104493 Seoul YONHAP in English 1035 GMT  
10 Aug 93*

[Text] Paris, Aug. 10 (YONHAP)—An ad hoc inspection team of the International Atomic Energy Agency (IAEA) left Pyongyang on Tuesday after "successfully" completing its inspection-related duty toward North Korea's nuclear facilities in Yongbyon, IAEA spokesman David Kyd said. Kyd said the IAEA received a telephone call from the three-member team that their duties were successfully finished.

"A detailed report on the team's activities in North Korea will be received upon their return to Vienna on Aug. 12," the spokesman said.

He said that as was the case with the 7th ad hoc inspection last May, the duty of the recent inspection visit was "highly limited" to checking surveillance tools installed at North Korea's nuclear facilities. The recent visit, however, would serve as a "barometer" that would determine whether the IAEA would be able to conduct full-fledged inspections of North Korean nuclear facilities in the days ahead, he said.

The spokesman also said North Korea is yet to show any response to the IAEA proposal for resumed discussion of the question of carrying out nuclear safeguards measures including special inspections of two undeclared nuclear structures in Yongbyon.

The IAEA expects that North Korea will send a delegation to Vienna at an early date to resume the discussion, Kyd added.

**Editorial: 'Human Chain' May Benefit DPRK***SK0908064993 Seoul CHOSON ILBO in Korean  
7 Aug 93 p 3*

[Editorial: "Forming a 'Human Chain Between the North and the South' Should Not Be Used by North Korea"]

[Text] It is said that various organizations will hold on 15 August an event to form a "human chain between the North and the South," aimed at praying for reunification. Reunification is our long-cherished desire. Accordingly, we cannot make too many efforts for reunification. People's collective activities have often sought a symbolic meaning rather than a practical one regardless of the degree of practical value. Therefore, it can be said that the event to form a "human chain between the North and the South" to pray for reunification is a rally to symbolize the participants' desire for reunification.

We, however, should note a different aspect to be taken into consideration. For example, we have seen a specific example of a human chain formed by the people of the three Baltic states expressing their resistance to the former Soviet Union. A human chain rally has often been a manifestation of nonviolent resistance and disobedience. "Chain" contains the meaning of resisting and preventing something at any cost, even though it does not contain the meaning of a resistance movement.

Then, at present, who should be the "target to resist" for rejecting the exchanges and opening for reunification? Is it the South, which has made all efforts even by enacting the "Law on North-South Exchange and Cooperation" for the reunion of separated family members, exchange of letters, economic cooperation, and exchange of the people? Or is it the North which has ignored the hard won "North-South Basic Agreement" and restricted its people's freedom of domestic travel, not to mention the



issue concerning reunification, by using a nuclear card to defend its hereditary system?

Thus, we believe that the most suitable venue for the event of "forming a human chain" may be the land of North Korea. If we succeed in forming the human chain in North Korea, calling for a North-South exchange and cooperation based on democracy, wellbeing, freedom, and opening up of North Korea, this would be a most appropriate event.

In the meantime, there is nothing in for those planning to attend the event forming a human chain, other than for the *chuche* idea faction and its sympathizers who will take issue with the South's reunification policy. This is because the South's government has taken positive steps for reunification and exchanges. In spite of this, when the event "forming a human chain" takes place, this can give the impression that there is some object of protest in the South. That is, this may give the outside world the impression that because there is an evil like "Goliath" which holds down the North-South exchanges and reunification in the South, the suppressed "David" is forced to rise up against evil. Even if the sponsors of the event do not intend to give such an impression, an adverse effect could result.

Even worse, the National Alliance for the Country's Reunification [Pomminnyon]—a coalition of North-South *chuche* idea faction—has already taken advantage of the "forming a human chain" event, and a Pyongyang syndrome will take place. After all, the Pomminnyon will propagandize that its reunification strategy and tactics bore fruit. We do not think that the event itself "forming a human chain" is desirable. If those planning to attend the event, other than the *chuche* idea faction and its sympathizing organizations, insist on holding it, they should take into consideration all other factors. By so doing, they should not provide an opportunity for the *chuche* idea faction to take advantage of the event. It is because of the Kim Il-song system, not because of the South side, that reunification and exchange are not realized. No doubt, the right and wrong of the government office which approved the human chain event should be questioned later.

#### **Prosecutor Rules Pannational Rally Illegal**

SK1008114893 Seoul YONHAP in English 1123 GMT  
10 Aug 93

[Text] Seoul, Aug. 10 (YONHAP)—The Supreme Public Prosecutor's Office on Tuesday ruled as illegal the planned Fourth Pannational Rally, warning that anyone trying to carry it through would face legal actions. The Southern promotion headquarters of the '93 pannational conference planned to hold the rally at Imjingak on Aug. 15. There are two other promotion headquarters: One in North Korea and the other comprising some ethnic Koreans abroad.

The ruling was made at a meeting attended by relevant officials from the police, National Unification Board, Education, and Culture-Sports Ministries, and the prosecution.

The prosecution also warned that if seditious elements like dissidents and student activists attempt to use the authorized "South-North human chains drive" for their own cause, all those involved will be ferreted out and meted out legal actions.

"If any one tries to push through a pannational conference rally despite the disapproval, he or she would be arrested with an arrest warrant obtained beforehand or otherwise be kept isolated," a prosecution official said.

#### **Seoul Changes Economic Policy Toward Japan**

SK1008041793 Seoul THE KOREA TIMES in English  
10 Aug 93 p 8

[Text] Timed with the launching of the new government in Japan, the Korean government yesterday came up with major changes in its economic policies regarding Japan that would place binational cooperation on a new plane.

"Let national economic issues be separated from political considerations," was the underlying current at a meeting of relevant government ministers at the first government complex building in downtown Seoul yesterday.

The meeting, hurriedly convened to address the changing political and economic landscape in Japan, was presided over by Deputy Premier-Economic Planning Minister Yi Kyong-sik with foreign, finance and other major economic ministers attending.

In the meeting, the participants shared the view that the country needs to introduce new ideas in its relationship with Japan, based on rationalism and effectiveness in preparation for anticipated changes in the new Japanese government's foreign policy.

A report released for the meeting called for economic matters between Seoul and Tokyo to be handled purely political considerations, while envisaging separating the roles of government and business with regard to economic issues.

The Korean government's turnaround in policies toward Japan results from its judgment that its past approach toward Japan—linking economic affairs to political considerations which refer to the past history between the two countries in the early part of the 20th century—has been of little help in charting out a desirable national development path in the run-up to the new century.

Economic matters at issue between the two countries concern Korea's ballooning trade deficit with Japan and the latter's reluctance to transfer sophisticated technology to the former.



The meeting participants admitted that it is increasingly difficult for the two countries to settle disputes arising from Korea's industrial structure inherent dependence on Japan through government negotiations.

On the contrary, Korea's hardline stance against Japan, partly buoyed by the latter's "debt" to the former during the colonial rule, has created strong anti-Korea sentiments in the Japanese business community, thus making it hard for Korea to demand a speedy transfer of technology and investment.

The trade imbalance between Seoul and Tokyo, running absolutely in favor of Japan, shows little signs of improvement despite Seoul's deficit-cutting program. Korea's trade deficit with Japan amounted to about 7.8 billion dollars in 1992 and in the first half of this year alone, the trade shortfall reached 4.4 billion dollars.

Japan's investment in Korea has also been on the decline since 1987 with the 1992 value estimated at 154 million dollars compared with 497 million dollars in 1987.

The government report, in its bid to substantiate economic cooperation with Japan, proposed that discriminatory trade restrictions directed only at Japan, which are not in line with WATT (General Agreement on Tariffs and Trade) rules be phased out on a gradual basis.

Specifically, the number of Japanese goods under an import ban under the import diversification system will be halved over the next five years. Currently, 258 kinds of Japanese goods including automobiles and some electronic items are banned from being imported into Korea under the system.

Japan's intellectual property rights here will be protected retroactive to some extent, according to the EPB [Economic Planning Board].

Seoul will also seek to resume its suspended ministerial meeting with Japan to activate their dialogue channel.

At the same time, an investment mission comprising government officials and business leaders will be sent to Japan's five largest cities Sept. 6-15 to lure Japanese investment. The mission, while touring Tokyo and other cities, will highlight Seoul's investment climate, which has improved since President Kim Yong-sam took office.

### **KYODO Reports Eased Restrictions**

*OW1008045693 Tokyo KYODO in English 0345 GMT  
10 Aug 93*

[Text] Seoul, Aug. 10 KYODO—The South Korean Government decided Tuesday [10 August] to ease its effective ban on the import of a wide range of Japanese products starting next year, officials said. Under the decision, import restrictions on 258 Japanese products, including automobiles, will be eased in stages over a five-year period, the officials said. By the end of the

period, the number of import-restricted items will be cut to half the present figure, they said.

The decision was made in a meeting of economic officials, presided over by Yi Kyong-sik, deputy prime minister and minister of the economic planning board. The officials also said South Korea will resolve its economic problems with Japan purely on the basis of economic logic, since a new coalition government was inaugurated in Japan on Monday replacing the conservative Liberal Democratic Party government. They noted that past bilateral economic relations have been strained by politics and other noneconomic problems.

### **Hosokawa May Have 'Negative Impact' on Trade**

*SK1008081293 Seoul YONHAP in English 0625 GMT  
10 Aug 93*

[Text] Seoul, Aug. 10 (YONHAP)—South Korea's trade and economic cooperation with Japan will suffer a slightly negative impact from the inauguration of Prime Minister Morihiro Hosokawa's coalition government in Tokyo on Monday, two South Korean economic think tanks predicted Tuesday. On the other hand, there could be considerable development in Japan's relations with North Korea if the North Korean nuclear issue is resolved, they said.

The Korea Development Institute (KDI) and the Korea Institute for International Economic Policy (KIEP) made the prediction in a report they submitted Monday to the international policy coordinating committee, comprising economic ministers and chaired by deputy prime minister and head of the Economic Planning Board Yi Kyong-sik.

They said there could be political instability in Japan because of weakness arising from the nature of Hosokawa's coalition government, which binds together seven non-Liberal Democratic Party (LDP) parties, and its unclear policy direction. If the Japanese Government is unable to carry out budgetary programs or there is a delay in its public works projects, a recovery from the current business recession in Japan would be delayed, and as a result, South Korea's exports to Japan would suffer, they said.

In formulating its policies, the Hosokawa administration would reduce the role of bureaucrats but expand, instead, the influence of the political parties with the result that there would be considerable confusion in establishing economic policies, they added.

They said the new Japanese Government would help bring a positive factor in South Korean-Japanese ties by settling the account of the past unfortunate relations between the two countries. But there would also be a negative possibility that Japan could be making new demands as it "raised its voice" in the international community, they said.



Although South Korean-Japanese relations on a personal level, especially between LDP lawmakers and Korea's ruling party legislators, had been slackened a little of late, personal ties had been quite strong. With the advent of the Hosokawa Government, however, there were no such ties and the two sides would have to work from scratch to buildup a cooperative channel, they said.

Since the Socialist Party is participating as a member of the Hosokawa coalition government, which would be trying to grab a diplomatic initiative in the Northeast Asian region, its influence on Japan's official relations with North Korea could develop fast once its nuclear issue is resolved, they said. South Korea, therefore, should work out countermeasures for such a development, they added.

### **Seoul To Cooperate in Kim Tae-chung Abduction Probe**

*SK1008110293 Seoul YONHAP in English 1030 GMT 10 Aug 93*

[Text] Seoul, Aug. 10 (YONHAP)—Prime Minister Hwang In-song said on Tuesday the government plans to positively cooperate in the effort of the opposition Democratic Party to uncover truth about the abduction of former opposition leader Kim Tae-chung from his Tokyo Hotel in 1973.

"Though the abduction case was a bygone event, the government regards it as an unfortunate incident whose truth should be laid bare," Hwang said.

While meeting with Rep. Kim Yong-pae and five other members of the DP ad hoc committee on the abduction case, the prime minister said he would furnish abduction-related materials being held at the Foreign, Home, Justice and Transportation Ministries.

"I will also instruct relevant ministers to study what the government can do in disclosing truth about the incident," he said.

During the call on the premier, the opposition members asked for a mountain of government materials related to the incident. They ranged from the complete list of the staffs and local employees of Korean mission offices in Japan in 1973 to the copy of the registration of Yong-kum-ho vessel used in smuggling abducted Kim from Japan to Korea and the identity of its crew persons.

### **Paper Views DPRK-Japan Talks Under Hosokawa Government**

*SK1008082593 Seoul CHOSON ILBO in Korean 10 Aug 93 p 6*

[YONHAP report from Tokyo]

[Text] According to the 9 August issue of MAINICHI SHIMBUN, along with the progress on the nuclear talks between the DPRK and the United States, there might be the possibility of progress in talks between the DPRK

and Japan on establishing diplomatic relations with the inaugural of the new Japanese Government under Morihiro Hosokawa.

MAINICHI SHIMBUN reported that the fact that the DPRK's nuclear development issue, which has been cited as the most significant obstacle in the DPRK-Japan negotiations, is showing signs of resolution through the DPRK-U.S. talks, and the fact that the Japanese Socialist Party [JSP] which has been insisting on improving relations with the DPRK is participating in the coalition government, will impose positive effects on DPRK-Japan negotiations.

MAINICHI SHIMBUN anticipates that the demand for individual negotiations will be stronger in the new government particularly because of the JSP's participation in the coalition government. The JSP has maintained the closest relationship with the DPRK.

DPRK-Japan negotiations on establishing diplomatic relations have been suspended for nine months since the eighth meeting held in Beijing last November.

MAINICHI SHIMBUN analyzes that how the coalition government, which has declared to succeed the Liberal Democratic Party's policies, handles DPRK-Japan negotiations for the establishment of diplomatic relations will be a test case of its diplomacy and defense policy because the JSP also denounces the DPRK's withdrawal from the Nuclear Nonproliferation Treaty. It has been revealed that Japan is within range of the missiles North Korea test launched and the Japanese people's view on the DPRK is not positive.

### **Dispute With Russia Over Loans, Fishing Heats Up**

*SK0908120893 Seoul TONG-A ILBO in Korean 9 Aug 93 p 3*

[Text] Discord has increased between the ROK and Russia over pending diplomatic issues, including loans for economic cooperation and friction concerning fishing in the Sea of Okhotsk.

Under this situation, the government is attempting to readjust relations with Russia. However, because of differences in views between agencies and offices within our own government and the political unrest in Russia, the government has been troubled by its inability to work out satisfactory measures.

The Russian Government recently declared unilaterally that it will withhold the repayment of \$1.47 billion that the ROK Government loaned to Russia. The Russian Government also announced that it will prohibit the ROK fishing boats' operation in the Sea of Okhotsk.

Furthermore, the Russian Government has reacted negatively to the ROK Government's plan of demanding compensation for the Korean Airline's civilian airliner which was downed by the Soviet Air Force in 1983. In addition, the Russian Government is strongly



demanding that the ROK return the land of the old Russian mission in Chong-tong, Seoul.

The position of the ROK Finance Ministry pertaining to loans for economic cooperation is that it wants to receive the payment of the interest and the principal sum in kind. The Foreign Ministry has a contrary position. It maintains that taking in account Russia's difficult situation and taking a long-run point of view, the compensation condition should be readjusted. Harmony in views has not been realized even within our government.

Meanwhile, the ROK Government informed the Russian Government of its policy that the ROK side will resume fishing in the Sea of Okhotsk, which has been suspended since last April, because the suspending of fishing in the open sea of the Sea of Okhotsk is illegal according to international law.

Some domestic circles even called for examining mistakes made during the Sixth Republic. They maintained the government unreasonably adopted policies in the course of establishing diplomatic relations with the Soviet Union. Therefore, there is the possibility that the discord between the ROK and Russia may even provide sparks leading to disputes among domestic political circles.

#### **Editorial Focuses on Russian Debt Default**

*SK1008035993 Seoul THE KOREA HERALD in English 10 Aug 93 p 6*

[Editorial: "Russian debt default"]

[Text] The Russian government is causing frequent dispute with other nations and international organizations by its default on foreign debts. On many occasions Moscow has failed to pay the interest on its debts, not to speak of the principal. This puts a heavy strain on the goodwill of Russia's new friends and patrons, as well as on their financial resources.

The certain loss of the credit-worthiness of the former Communist superpower to result from the continued default is likely to create fresh tensions in the international community. The prospects of effective and beneficial economic cooperation between Russia and other countries would become the poorer for it.

The dire economic straits to which Russians have been reduced in the aftermath of the downfall of the Soviet Union are well known and evoking considerable sympathy from all well-meaning observers of the Russian scene. The plight is shared more or less by all members of the Commonwealth of Independent States and most East European nations. The diligent effort of President Boris Yeltsin to deliver Russia by means of political and economic reforms is also widely appreciated and supported.

However, the impudent and overly demanding attitude of Russia of late toward debt rescheduling is beyond our

comprehension and tolerance. Moscow has gone too far in not performing debt service soon after the loan was given by South Korea. Russia is asking too much without fulfilling its minimum obligations to its creditor from the outset.

The lame excuse given by a senior Russian official in Washington was particularly striking. Disclosing plans to ask major industrial countries and international banks to write off a big chunk of the nearly \$80 billion in debts it owes to them, Konstantin Kagalovsky, Russia's representative at the International Monetary Fund, suggested that the incumbent Russian government may not be responsible for paying off the old debts. He claimed that the money was given to the former Soviet Union and it was wasted by the Communists to prolong their rule, thus implying that the new democratic Russia cannot shoulder the burden.

This line of argument is totally against international law and the promises Russia made at the time of inheriting the diplomatic status and treaty obligations of the USSR upon the latter's demise. Such false logic will never free Russia from its due responsibilities.

The Seoul government has a big stakes in the Russian payment of its debt service bill for about a half of the \$3 billion credit package that has already been executed. It offered to aid Russia beyond its means in its hasty bid to befriend the northern power. But Seoul's generosity may go down the drain unless Moscow proves faithful to its earlier commitment. Seoul can hardly afford to reschedule the debt payment to meet the one-sided requirement of the debtor.

#### **ROK, PRC Economic Committee To Meet 20-21 Aug**

*SK0908062393 Seoul YONHAP in English 0314 GMT 9 Aug 93*

[Text] Seoul, Aug. 9 (YONHAP)—The Korea-China Joint Economic Committee will meet in Seoul on Aug. 20-21. The first meeting was in Beijing last December. Second Assistant Foreign Minister Son Chon-yong will represent Korea at the meeting and acting deputy foreign relations and Trade Minister Liu Shanzai will head the Chinese delegation. At the meeting, Korea will ask China to lower both tariff and non-tariff trade barriers, improve the environment for foreign investment and allow Korean firms to promote joint ventures in the automobile industry.

#### **President Meets With RENMIN RIBAO Director**

*SK1008044193 Seoul TONG-A ILBO in Korean 10 Aug 93 p 2*

[Talk between President Kim Yong-sam and China's RENMIN RIBAO Director Shao Huaze, at Chongwadae (presidential office) on 9 August]

[Excerpts] [Kim] Since diplomatic relations between the ROK and China were established, RENMIN RIBAO has



been making friendly reports on the ROK. I thank you for this. I hope you will have a good impression of the ROK after visiting many places, including the Taejon Expo. Relations between the two countries have become closer. The volume of trade between the two countries has reached \$9 billion. Economic relations between the two countries is not competitive but supplementary. I hope that economic cooperation between the two countries will become closer. [passage omitted]

[Shao] Thank you very much for holding this meeting during your busy schedule. RENMIN RIBAO has maintained friendly relations with TONG-A ILBO. I believe that exchange between the two countries in the field of journalism will greatly contribute to all other fields. RENMIN RIBAO has been reporting on many occasions on the ROK's economic developments. It also carried a feature report on the Taejon Expo. I wholly agree with your remark on the fact that economic relations between the two countries are supplementary. I believe China will make further efforts for the development of supplementary relations between the two countries. [passage omitted]

#### **Hyundai Construction Resolves Labor Dispute**

SK0708094293 Seoul YONHAP in English 0847 GMT  
7 Aug 93

[Text] Ulsan, Aug. 7 (YONHAP)—The labor dispute at Hyundai Construction Equipment Co. was resolved with unionists' overwhelming approval of a tentative labor-management compromise plan on Saturday. The resolution at Construction Equipment Co. reduced to three the number of Hyundai firms yet to settle disputes. They are heavy industries, electrical engineering and wood industrial. Initially nine Hyundai firms in the Ulsan area were embroiled in labor disputes.

In a vote on a compromise plan, 510 unionists or 75.6 percent of the total union members who took part in the vote approved the plan while 160 or 23.4 percent rejected it. The approved plan calls, among others, for a 4.74 percent pay hike, achievement allowance equivalent to 100 percent of a month's wage, guarantee of 650 percent bonus, productivity increase allowance of 50 percent, and Chusok hometown visiting expense of 150,000 won.

Meanwhile, labor and management of the Hyundai Heavy Industries Co. continued to negotiate on Saturday, but in vain due largely to the union's persisting demand for the reinstatement of former union leaders dismissed.

Following the breakup, Labor Ministry authorities served a warning to the union, telling them that the act of de facto rejection of wage negotiations with the excuse of an issue not subject to disputes cannot be protected legally.

#### **BAI To Decide by Next Week on Questioning Chon, No**

SK0908041493 Seoul YONHAP in English 0307 GMT  
9 Aug 93

[Text] Seoul, Aug. 9 (YONHAP)—The Board of Audit and Inspection (BAI) will decide by next week at the latest whether to investigate former Presidents Chon Tu-hwan and No Tae-u in connection with irregularities in the Yulgok military buildup program and the construction of the peace dam.

The BAI, which had asked outside specialists to undertake a study on possible North Korean flood attacks on the South, will decide whether to question Chon as soon as it receives a report from the specialists, BAI officials said Monday.

The specialists were asked to submit an objective report on much feared North Korean "water attacks" using tons of water unleashed from its Kumgangsan dam, under construction just North of the Demilitarized Zone.

The BAI has been looking into allegations that the Chon administration exaggerated the North Korean attack to stir up anti-communist sentiment in the South and began building the so-called peace dam to counter water attacks from the North.

The Chon government had collected donations from ordinary citizens, including the piggy banks of primary school children, to build the peace dam, allegedly wasting hundreds of millions of won.

As for President No, the BAI is expected to wait until the end of this week for a reply from the U.S. Government on its request for pertinent documents that could shed light on suspected payoffs and kickbacks for purchases of military hardware under the Yulgok program.

If the BAI does not receive any response from the United States before the end of this week, it will go ahead and make its decision as to whether it will ask No to answer its questions, especially with regard to his government's decision to switch the country's next mainstay fighter aircraft from the McDonnell-Douglas' F/A-18 to the General Dynamics' F-16.

Even if the BAI decides to question the two former presidents, the investigation would not be to pursue the truth but to give them an opportunity to clarify themselves and the works of their administrations, the BAI officials said.

The BAI, in other words, wants to have a final say by the presidents on the results of its investigation on irregularities and other allegations in the Yulgok program and the peace dam construction, they said.

But one high-ranking BAI official, who declined to be identified, said Monday that if the experts decide that the perceived North Korean flood attacks were exaggerated, the BAI would probably question Chon.



He noted, however, the government has not decided that it would investigate former presidents or on the method of investigation.

The BAI is also studying whether it will have to question former head of the Agency for National Security Planning Chang Se-tong, and other officials of the Chon administration before investigating Chon himself, the official said.

With regard to the Yulgok program, the official said, the BAI could not postpone its decision indefinitely. The BAI, therefore, would wait only until the middle of this month for a U.S. response before making any decision.

But he indicated that a decision on No could take a little longer if the United States did provide the necessary documents, because the BAI would then need time to study them.

#### Article Examines Former Presidents' Relations

SK1008015393 Seoul CHOSON ILBO in Korean  
8 Aug 93 p 4

[Article by Yi Chae-u]

[Text] The attitude of staff members of former Presidents Chon Tu-hwan and No Tae-u has changed; they are no longer slandering each other. They had not hesitated to slander the other side at every opportunity. Mutual slander between the camps seemed to culminate when Chon rejected No's offer to pay a courtesy call on him right after No retired from the presidency. A large number of unconfirmed rumors became rampant.

Slander between the two camps, however, has ceased in the last few days since No began to be plagued by the Yulgok project probe and Chon began to be harassed by the investigation into the Peace dam. The two are refraining from blurting out any remarks that can get on each other's nerves. They are apparently showing great patience. Not giving any specific reasons for it, they ask in unison: Have we ever slandered each other?

As a matter of fact, figures from both sides coordinate their remarks in advance. It has been learned that Yi Hyong-u from Chon's camp and Chong Hae-chang from No's camp are serving as liaisons for each side. Yi had served as legislation minister and presidential senior secretary for justice and inspection while former President Chon Tu-hwan was in office. Chong had served as justice minister and presidential secretary general during President No's rule. They are both practicing law and, at the same time, serving as chiefs of staff for their respective camps.

They are on good terms with each other. Chong is two years Yi's senior in the state law examination. They became friends when Chong served as the chief of the Inspection Section of the Ministry of Justice and when Yi served as officer in charge of legal affairs of the National Defense Ministry. Later, Chong became vice

justice minister and Yi was appointed as member of the Legislation and Judiciary Committee of the National Assembly. Yi helped Chong in many ways while they were in these offices. Although An Kyo-tok, then presidential senior secretary for justice and inspection, handled Chon's case during the sixth republic, Yi visited Presidential Secretary General Chong at Chongwadae [presidential office] at every opportunity. When Chon was exiled to the Paekdam Buddhist temple, Chong and Yi served as working-level liaison for the two camps, respectively. After Chon returned from exile, Chong and Yi continued to exchange messages. Just before No retired from the presidency, they promoted reconciliation between the two camps. The reconciliation, however, was aborted and they were estranged from each other. Since then, mutual slander between the two camps increased because Chong and Yi, perhaps, had not dissuaded their camps from slandering each other. These days, they have been meeting on a frequent basis.

A confidant of No explains about their rendezvous, saying: "Our meeting is aimed at soothing out former President Chon's grudge against former President No." It is said that the meeting between Chong and Yi has something to do with stopping mutual slander. Chon's camp also confirmed the meeting between the two. Slandering each other only brings losses to each one of them. This is more so under the circumstances of the probes into the Yulgok project and the Peace dam. When the probe began, the two camps were marred by mutual slander. Mutual slander always triggered a "boomerang effect."

A figure of Chon's camp says: "The Army strongly demands that Chon and No reconcile." The Army is pressuring them, saying that the conflict between the two camps brings disgrace to the Army. The pressure put by the Army is a factor in stopping mutual slander.

It is uncertain whether this atmosphere will lead to reconciliation between No and Chon. It is learned that No's camp is making efforts in order to lead this mood to reconciliation. No's camp is optimistic about the results. This means that No's camp is keenly hoping for reconciliation.

Chon's camp has different opinions about this. It says that this mood will not necessarily lead to reconciliation. It says that Chon's grudge against No still lingers. Nevertheless, Chon's camp admits that the atmosphere surrounding the two camps has changed. It is Chon's camp that opened the door for dialogue. It is time for attention to be drawn to reconciliation between No and Chon.

#### Police Trainers May Go to UN Somali Mission

SK1008034893 Seoul YONHAP in English 0034 GMT  
10 Aug 93

[Text] Seoul, Aug. 10 (YONHAP)—Seoul may decide to send a team of police officers to Somalia as a further contribution to the U.N. Peacekeeping Operations (PKO), Foreign Ministry officials said Tuesday.



"The U.N. Secretariat has notified its members, including South Korea, that it plans to bring the Somali national police back into force to restore order, and to gradually relegate operations from U.N. troops," said one official.

The request was made for either financial contributions or for officers who can train the Somali police, and Seoul is positively considering the request, this official said. Seoul sent a 250-man Army engineering corps to the African country last month as part of the PKO mission.

The United Nations plans to have the Somali police back in charge of public security and to help distribute relief aid to minimize the animosity between the public and the U.N. forces. Financial contributions will be used for purchasing police equipment.

Seoul has not yet decided which form of donation it will make, the official said, but the government is expected to participate either way.

#### **Article Assesses DPRK's Power Shortage Problem**

*SK1008021393 Seoul HANGUK ILBO in Korean  
9 Aug 93 p 8*

[Article by Yi Tae-hui: "North Korea's Request for Technology of Light-Water Reactors Reflects its Power Shortage Situation"]

[Text] During the second round of high-level talks held with the United States on 19 August, North Korea asked the U.S. side to provide the technology and equipment for light-water reactors in return for its acceptance of nuclear inspections. In fact, this is not the first time North Korea has made this request. North Korean Vice Premier Kim Tal-hyon also made a similar request to our government when he visited Seoul in 1992. Observers believe that North Korea has a great interest in "nuclear reactors" because it urgently needs to build atomic energy power plants as means not only to manufacture nuclear weapons but also to solve its power shortage problem.

It has been confirmed through various channels that North Korea's power situation is very serious. According to foreign reports, North Korea recently formulated provisions that provide that everyday electrical appliances requiring less than 50 watts of power such as irons, and sterilizers and driers used in barber shops must be registered with power supply organizations.

North Korea has even implemented a "power-savings day" as part of its campaign to save energy. Power is not to be supplied during a designated day. In Pyongyang, that day is Thursday if there are no special events, and in other rural communities that day is observed up to four days a week.

Defectors from North Korea have also said: North Korea has conducted a one-light-for-one-house campaign for a few years now. There are many high-rise apartment buildings without elevators because of power shortages.

North Korea's power shortage will be a big obstacle to its economic development. This is a complicated problem that should be solved by North Korea. Experts, who are familiar with the North Korean situation, have pointed out that North Korea's current power plants' operating ratio decreased by 50 percent because of interruptions in the supply of raw materials and of power shortages. It is therefore fair to say that North Korea has conducted an all-out campaign to increase power production since the beginning of the nineties.

North Korea has vigorously pushed ahead its power plant construction projects, claiming that it will complete the 100 billion kilowatt-hour [kwh] power production target before the end of this year, the last year of its Third Seven-year Economic Development Plan. It has recently completed the assembly work of No. 1 power generator in Namgang hydroelectric power plant (135,000 kw), which was started in 1989, to improve the power shortage situation in Pyongyang city. Also, it is building approximately 10 hydroelectric or thermal power plants, including Taechon hydroelectric power plant—construction was started in 1981—in North Pyongan Province. It is even building a small-sized wind-operated power plant.

According to an assessment made by the Bank of Korea, North Korea's total power production capacity last year amounted to 24.7 billion kwh (South Korea's amounted to 131 billion kwh). Although we acknowledge North Korea's announcement in 1990 that it reached its 56.4 billion kwh production goal before the end of that year, North Korea will probably not be able to reach its 100 billion kwh production goal before the end of this year.

North Korea, which was ahead of South Korea in power production before the mid-seventies, now faces a very serious power shortage situation. This is because North Korea has applied its economic principle of "self-reliance" based on the *chuche* idea to its energy policy. We can say that North Korea's main source of power is based on coal-operated thermal power plants and on hydroelectric power plants. It has only one oil-operated power plant. It is an accepted view that North Korea's energy principle based on self-reliance has caused its serious energy shortage problem.

The power production capacity of hydroelectric power plants is very low because most of their facilities were built during the past Japanese domination period and are now outdated. North Korea is now producing poor quality coal because it had already exploited all of its good quality coal. To effectively use such poor quality coal, North Korea plans to set up the "Institute for Study of Poor Quality Coal" at Kim Chaek University of Technology.



Concerning North Korea's power shortage, Chong U-chin, senior researcher of a South Korean energy and economic institute, said that "The best way for North Korea to recover from its power shortages is to build nuclear power plants." North Korea has had an interest

in nuclear power technology since the fifties. It has had the technology to a certain extent. It also has two uranium mines. North Korea seems to believe that it can solve all its energy problems by building nuclear power plants.



## Burma

### 9 Aug Plenary Session of National Convention

#### Delegates Submit Reports

*BK1008031093 Rangoon Burma Television Network in Burmese 1330 GMT 9 Aug 93*

[Excerpts] The plenary session of the National Convention was held this morning at 1000 in the central meeting hall at the President's House compound on Ahlone Road, Yangon [Rangoon]. [passage omitted]

Delegates from the group representing elected representatives submitted their reports on prescribing the basic principles on which the fundamental principles of the state in the drafting of the State Constitution should be based.

One of the members of the group, U Khun Tun Oo, elected representative from Hsipaw constituency-1, presented the 35-page report prepared by the representatives of the Shan Nationalities League for Democracy. The 47-page report prepared by the representatives of the National Unity Party [NUP] was presented by U Thein Tun, NUP elected representative of Ingapu Constituency-2.

The meeting was adjourned briefly for lunch at 1140. When the plenary session resumed at 1240, U Thein Tun of the NUP continued with the report of the NUP elected representatives. Next, the 52-page report prepared by the elected representatives of the Union Pa-o National Organization, the Shan State Kokang Democratic Party, and five elected independents were presented in three parts. The five elected independents are: Dr. Hmu Tang, Thangtlang constituency; U Khin Maung Cho, Dimawhso constituency-1 [originally elected as representative of Kayah State Nationalities League for Democracy]; U Tun Kyaw, Namhsan [originally elected as representative of the Ta-ang Palaung National League for Democracy]; U Htaung Kho Htan, Tamu constituency [originally elected as representative of the United Nationalities League for Democracy]; and U Aung Thein of Ywangan [originally elected as representative of the Union Nationals Democracy Party].

The meeting was briefly recessed at 1355 after U Tun Kyaw of Namhsan presented the first part of the report. When the meeting resumed at 1425, the second and third parts of the report were presented by U Khin Maung Cho of Dimawhso constituency-1 and U Aung Thein of Ywangan.

The 10-page report of the elected representatives of the Mro or Khami National Solidarity Organization was presented by U San Tha Aung of Kyauktaw constituency-2. The plenary session ended at 1550.

The plenary session of the National Convention will resume at 1000 tomorrow—10 August.

#### Delegate Warns Against 'Dictatorship'

*BK1008055393 Rangoon Burma Television Network in Burmese 1530 GMT 9 Aug 93*

["Extracts" of the report of the elected representatives of the Shan Nationalities League for Democracy presented by U Khun Tun Oo, representative of Hsipaw constituency-1, at the plenary session of the National Convention held at the President's House compound in Yangon [Rangoon] on 9 August—recorded]

[Text] I would first like to express my respect for Mr. Chairman, members of the Panel of Chairmen, and convention delegates. I extend my greetings for the well-being of members of the Panel of Chairmen and delegates. At the same time, I would like to say that I am most honored and happy to have the opportunity to speak on behalf of the Shan Nationalities League for Democracy.

I am Khun Tun Oo, elected representative of the Shan Nationalities League for Democracy [SNLD] from Hsipaw constituency-1. I would first like to say that our SNLD is presenting this report without any party, racial, regional, personal, or organizational prejudices and that this report is being presented in the interests of the state, the national races, and the general public, with the perpetuation, prosperity, and peace of the union of Myanmar [Burma] as the main objective.

We interpret nondisintegration of the union to mean unity of the national races. Therefore, we can say that nondisintegration of national unity is the most important point out of our three national causes. If the national races remain united, the union will not disintegrate and national sovereignty will last.

It is not suitable to rename the states as these names have been in use for a long time in the history of our country. To be more precise, we absolutely do not agree to the renaming of the states. Furthermore, we would like to say that we absolutely do not agree to downgrading the states to the level of major regions.

Mr. Chairman: It will be necessary to build the union with member states in accordance with the objective of promoting Lawkapala [eternal] principles of justice, liberty, and equality. It is also necessary to be in accordance with another objective—that of developing genuine multiparty democracy.

If a system of genuine multiparty democracy is to be practised, the political parties should be allowed to organize freely and they should not be controlled and restricted under the law. We believe there should be no restrictions on political parties if genuine multiparty democracy is to be practised.

Mr. Chairman: On the question of sharing power between the union government—central government—and state governments, our SNLD is of the view that in structuring the union, the power to be exercised by the union government, the central government, should be



defined accurately in the state constitution and the states should be allowed to freely exercise the remaining powers. A state constitution with such provisions should be drafted. We shall present more specific details on this subject when we discuss the respective chapters.

Mr. Chairman: Our SNLD only desires a parliamentary administration. Constant fear of the dismissal of a prime minister through a vote of no-confidence is preferable to the transformation to dictatorship. If a system of direct presidential rule is to be established, the private press and broadcasting stations must have press freedom. There should absolutely be no Board of Censors. Furthermore, it is also necessary to have firm democratic practices. If such conditions are not created, who is to guarantee that the president will always serve the nation?

A president [in the U.S.] eventually had to resign from office following press disclosures and honest measures taken by district judges concerning the bugging of opposition party offices by a member of the president's party. I believe that we do not have the power to restrain the president from becoming a dictator in our country and we are not yet in a position to remove a president for embezzlement or to force a president to resign for corruption and bribery. That is why we do not desire a directly-elected presidential system.

Mr. Chairman, the matters that I have just presented are being submitted with sincere goodwill in the interests of unity and the progress of the country. They are not meant to lead to the disintegration of the union or to the undermining of national unity. We are simply sincerely expressing within the framework of law our constant belief in the truth for the perpetuation of the union and the construction of national unity.

Mr. Chairman and delegates, in conclusion I would like to suggest that the following basic principles based on the discussions presented above be enshrined in drafting the state constitution:

A provision stating that in order for the state to be independent and sovereign and for a genuine union to emerge based on the historic Panglong Treaty, the union is a nation composed equally of national states—Kachin, Kayah, Karen, Chin, Bamah [Burmese], Rakhine, and Shan States;

A provision that state sovereignty lies with the people and that the sovereign power emanating from the people is to be exercised on behalf of the citizens through the union state or members of executive bodies and officials of the member states of the union appointed under the constitution or powers exercised by the said bodies and officials;

A provision that representatives of the people elected by the people exercise through their votes the three powers of the state—legislative, executive, and judicial. Public service organizations, experts from outside, and officials concerned shall have the right to state their position before the committees of the union Parliament;

A provision for the formation of a union composed of national states in order to ensure a genuine union which is based on and respects equality;

A provision for a free multiparty democratic system, the holding of fair elections in accordance with democratic practices, and the right to recall elected representatives from duty;

A provision to ensure all citizens are equal before the law regardless of race, religion, standard, and sex and for citizens to enjoy their equal rights;

A provision that all citizens enjoy equal rights proportionate to their physical and mental capability, diligence, and the right to inheritance by all citizens;

A provision for the construction of a union based on the Lawkapala principles of justice, liberty, and equality;

A provision to keep intact the original names and territories of the states and not to transform states into major regions;

A provision to have a bicameral legislature composed of representatives elected by the people;

A provision to hand over the powers prescribed under the constitution to the union government—central government—and to distribute and hand over various levels of power to governments of national states;

A provision for a parliamentary administration headed by a prime minister, and not an administrative system led by the president;

A provision for the formation of a Supreme Court and high courts in national states for the administration of justice;

A provision for each national race to promote its respective literature, culture, and traditions and not to prohibit, obstruct, and interfere in such matters;

A provision for freedom of writing, publication, speech, and expression;

A provision for military training for every citizen;

A provision for supervision over the practical implementation of constitutional provisions and ensuring the enjoyment of rights;

Provisions enabling members of various strata of society—workers, peasants, youths, students, and service personnel—to contribute to the nation;

A provision for the nation to practise a free economic system based on a market economy;

A provision for the state to maintain the policy of peaceful existence among nations and to practise independent foreign policy; and

A provision that this constitution is the highest form of law, which cannot be surpassed by any other law.

I conclude here by expressing my thanks once again for the opportunity to represent the SNLD. [applause]

#### **Paper Interviews SLORC Leader Khin Nyunt**

*BK0708105593 Singapore BUSINESS TIMES in English 4 Aug 93 p 22*

["Excerpts" of interview with SLORC Secretary-1 Lieutenant General Khin Nyunt by Nirmal Ghosh and Amy Balan in Rangoon; date not given]



[Text] On the role of the armed forces:

Before independence, Myanmar [Burmese] nationals were given no role in political and economic developments. But there existed a spirit of yearning for freedom and independence, and it was particularly strong in the young people of the country. Among them was Gen Aung San.

At that time all strata of society had just one objective: to regain our national independence.

We had a spirit of unity and solidarity, and that is why we were able to achieve independence. Gen Aung San was then the leader of the youth, and headed the Burmese army. But just after independence we had internal insurgencies, and among politicians differences arose about which direction the country should take, and many went underground, forming the Burmese Communist Party (BCP). We also had the Karen insurgency, which also went underground.

The question arises, why did they go underground? After the achievement of independence, in U Nu's government, there was a struggle for power and a falling out.

We had in the Tatmadaw [Defense Services] leaders who had led the struggle for freedom, among them Gen Ne Win. But they concentrated on the defence and security of the country. Ministry portfolios were taken by politicians. We had insurgent group after insurgent group coming into existence. They weren't satisfied with the political administration, that is why they developed and went underground. It was not the fault of the armed forces, but of the administration.

To give you an idea of how many insurgent groups there were, U Nu's power could only be exercised in the city of Yangon (Rangoon). The rest of the country, and even the Yangon suburb of Insein, were under insurgents' administration.

The Tatmadaw was given the responsibility of suppressing the insurgencies, with the very limited power that they had at the time. I'm saying this because the armed forces were given the responsibility to give stability and peace to the government at the time. I make the point that the insurgencies that exist, even to this day, were not the fault of the Tatmadaw but of the administration of the time. I bring this up to give perspective.

Today, the same old political figures who existed at that time say the Tatmadaw is suppressing and torturing these various groups who are against the government, and there are no peace talks. They, who are responsible for this state of affairs, blame the Tatmadaw for the insecurity and indiscipline in the country, when in fact they were the ones who brought the country to this state. In 1958 the country was not governable anymore. At the end of 1959, U Nu won the elections and power was transferred.

This was the second time that U Nu came into power, but at that time, within the government and the party, there were various interest groups and no unity and solidarity. The administrative machinery of the country was in ruins. Secession requests appeared again, and external forces tried to exploit the situation. The Union was on the verge of disintegration, that was why the Tatmadaw in 1962 was compelled to come into the picture again. It was decided that because of the divisiveness and instability we could not leave the country in the hands of the politicians again. We established the BSPP (Burma Socialist Programme Party).

On the 1988 crisis:

There are many and complex reasons for what happened (in 1988), but personally I think the most important factor was the economic situation was worsening. Food, clothing, and shelter needs could not be fulfilled. Finally, anarchy developed, and insurgents exploited the situation. They came into the cities, their cells instigated the people to riot and burn and loot.

The strategy was armed warfare in the country and rioting in the city against the armed forces. This became worse and worse, and the Tatmadaw decided not to allow the situation to prevail, and in September that year it had to take power because the situation called for it, not because it grabbed power for the sake of it.

The Tatmadaw took over to preserve the Union, no one can deny these facts. Now the Tatmadaw is trying to rectify the situation, to restore it. You need peace and tranquility before economic development. That's why we had to take into custody the groups that were responsible for the anarchy.

We contacted insurgent groups for talks. The result was nine came into the legal fold. That enabled us to engage in border development in those areas, to uplift living standards. It's the responsibility of the government to narrow the gap in the standard of living between those in the cities and those in remote regions.

On the Rohingya issue:

We've been accused of violating the human rights of the Muslims (the Rohingyas of Rakhine state, bordering Bangladesh). This is completely untrue, the reason why they ran away (to Bangladesh) is they don't want to work, they want free goods and shelter, not because we forced them. We have now opened five camps for the returnees to transit through. They are sent to their own homes, it isn't true that they've been destroyed.

We feel very strongly that we must adequately provide food, shelter and clothing for the people to assure them a decent life, in peace and tranquility. This is how we view human rights.

On foreign policy and China ties:



We have an independent and active foreign policy, to have friendship and understanding with our neighbours and the region. We intend to have such relations with all countries of the world.

We have never committed acts of aggression against any of our neighbours, and we will never help elements hostile to our neighbours.

Because of geography and the nature of economic relations, we have had more relations with some countries than others, for example China and Thailand. We have a lot of trade and interaction because of this. In addition, there are borders where we have friends and relatives on both sides.

There are rumours that China is giving us military aid and they're building a naval base and a military facility on Coco Island. There is no basis to this. We will never allow our country to be dominated, we value our independence and our dignity. In any country, there must be the armed forces for legitimate defence. What military supplies that are necessary must be provided. When you need them you have to buy at the right price. Previously we bought from all over the world, but now some Western countries don't want to sell to us, so we have to go to those who will.

We need to build up the armed forces, but we only have whatever's adequate for our legitimate needs. I'd say our Tatmadaw is small compared with our neighbours'.

On ties with ASEAN:

We'd like to have these good relations with ASEAN too. We will never engage in any acts which would adversely affect the security of our neighbours and the region.

We have a great deal of natural resources and potential and we'd like to use these for our benefit and for that of our neighbours and ASEAN.

On the new Constitution:

We're in the process of holding the National Convention. The next step will be the drafting of the new Constitution, and based on it we will have a new government and the transfer of power. We should not hold on to this position of responsibility for all time, we believe that.

We've studied government systems from all over the world, but we can't have a carbon copy of another system, we have different national races, religions and cultural traditions prevailing in the country.

On making the proceedings of the National Convention public:

We have 702 representatives from political parties, workers, peasants, government servants, academics, intelligentsia and national races. They would like to conduct the negotiations in a spirit of unity and solidarity. If we have unrelated elements from outside it

may destabilise the process. We don't want that. Myanmar is different from other countries. This is because we have so many insurgent and interest groups, politicians who have gone underground or gone abroad. So that might be a hindrance to the speedy achievement of our final goal.

From time to time we do reveal the proceedings. But a lot of reports are based on Bangkok reports, and are biased against us.

You can see that things are peaceful and stable here. In Myanmar we have almost 43 million people. In Yangon we have four to five million. Everybody you meet won't agree with what the government is doing. That is true of any country. What is important is to look after the interests of society, of the majority as a whole.

Aung San Suu Kyi in national reconciliation:

She is not participating in the (national reconciliation) process and it is going smoothly. Why create something which is not necessary?

#### **Economic Planning Minister Interviewed on Economy**

*BK0708142993 Singapore BUSINESS TIMES in English 4 Aug 93 p 23*

[Report on interview with Brigadier General David Abel, minister of national planning and economic development, in Rangoon by correspondent Amy Balan; date not given]

[Text] American Chinese Choo Yeow Ming, a partner with US law firm Winthrop, Stimpson, Putnam & Roberts, needed a visa to Myanmar [Burma] urgently. When he enquired at the Myanmar consulate in Hong Kong earlier this year he was told he had to wait seven days.

Luckily for the lawyer, his name card reached consulate-general Soe Win's desk. U Soe Win immediately came out of his room to greet the visitor: "Myanmar needs American lawyers. We want American investment." He promptly showed him brochures and notes on Myanmar industries.

"Can we have lunch some time?" he asked. When Mr Choo told him that all he wanted was a visa to see the country, U Soe Win obliged—on the spot.

Welcome to the new face of Myanmar. After 26 years of socialism and self-imposed isolation, Myanmar is throwing its doors open for business. Its leaders now anxiously seek foreign capital to revive its moribund economy and help raise living standards of its 42 million people which are among the poorest in the world.

With the profit motive suppressed during the socialist era, whole industries stagnated and along with it, the country.



Years of neglect have left much of the country's infrastructure in a shambles. Electricity supply is, at best, erratic. The country has for instance, only 60 international lines—30 for incoming calls and 30 for outgoing—and international calls take anything from half to five hours to be connected.

But shortages also spell opportunities. German conglomerate Siemens landed a US\$20 million (S\$32 million) order to boost the number of international lines to 600.

There have been starts and spurts, but market reforms instituted in late 1988, including the promulgation of the country's first ever foreign investment law to guarantee foreign investments, are finally bearing fruit.

Frequent visitors to the country say they see encouraging signs of economic activity, especially over the last 12 months. Most noticeable are the new construction and upgrading of hotels, offices, homes and roads. There's been a mushrooming of motels, mostly refurbished old bungalows by Myanmar's nascent private sector. Shops are now well stocked with imported goods, particularly from Thailand and China. International flights to and from Yangon [Rangoon] were increased in June to cater to the growing number of businessmen and tourists.

"Foreign investment is growing very fast now," David Abel, the National Planning and Economic Development Minister, told BT [BUSINESS TIMES] in an interview in Yangon. Since 1988, some 51 projects from some 13 countries worth about US\$2 billion have been committed, said BG [Brigadier General] Abel, who is also secretary of the Foreign Investment Commission (FIC).

In terms of number of approved projects, Singapore and Thailand rank first (eight each) followed by the US (seven), South Korea (six) and the UK (six). The bulk of the projects went to the manufacturing sector (18) followed by oil and gas (12), hotels and fisheries (eight each).

But in terms of actual investments, the figure is still very small. The just-released 1993/1994 Review of Financial, Economic and Social Conditions places total investment up to the 1992/93 fiscal year at 466 million kyats [Burmese currency] or US\$78 million based on the official rate of six kyats per US dollar. The actual foreign capital inflow is even smaller at 268 million kyats or US\$45 million.

These sums pale against what foreign firms have pumped into its neighbours like China and Vietnam which have been much more aggressive in their investment drives.

Even ASEAN members like Indonesia and Thailand have promised to review their own land leases and investment incentives. China now allows leases up to 80 years whereas Myanmar is prepared to allow leases up to 30 years only.

BG Abel said Myanmar's investment incentives were drawn up after it studied what other countries had to

offer. While the basic incentives are quite similar, Myanmar leaders feel they can do better because they are prepared to negotiate if necessary.

The three-year tax holiday, for instance, can be extended for deserving cases. If the investor requires it, raw materials and building materials can be imported free of duty. And, some incentives are open-ended like export income, which enjoys a concessionary 15 per cent tax rate against the normal 30 per cent corporate tax.

The key, Myanmar ministers stressed, is flexibility. But there's a lot to be said about flexibility because there seem to be two divergent views about it.

Julia Yin, a Chinese Myanmese [Burmese] who returned to Myanmar to manage a foreign-owned garment factory, and Neil Rombaut, chairman of Inchcape Myanmar, declared Myanmar the easiest place to do business. So does Singaporean trader Low Kim Yong who has made a name and niche for himself selling Toshiba consumer electronic products in Myanmar.

There are several plus points. Unlike Vietnam, Myanmar allows up to 100 per cent foreign ownership. Labour is very cheap. While it may take two Myanmar workers to do the work of one trained Korean worker, Myanmese productivity is still much higher, said Lee Byung Soo, general manager of Korean firm Doopung which makes cable connectors and accessories. Reason: It costs him only US\$15 a month to employ one Myanmar worker against US\$600 for a Korean.

English is fairly well understood. Myanmar also inherited English laws, including company laws, from its colonial masters. "We only need to revive them," said Set Maung adviser to the State Law and Order Restoration Committee which took over control of the government in 1988.

The country is blessed with immense natural resources—commodities, gems, timber, as well as numerous cultural and natural sites that can be exploited for tourism.

And the country offers plenty of potential for growth in the future. What are considered basic necessities—rice cookers, television sets, refrigerators—in, say, Singapore are luxuries there.

But there's no denying that there are also many businessmen who have found doing business in Myanmar a big mine-field and gone away disappointed. One big headache for foreigners remains the dual exchange rate system, although the more experienced businessmen have found ways and means to go around it. Officially one unit of the US dollar is worth six kyats. Although this rate is fixed to the country's Special Drawing Rights, it does not take into account the economic or market conditions which place the exchange rate closer to 120 kyats to a US dollar or 20 times the official rate.

How, for instance, do you value Myanmar assets to be injected into a joint venture with a foreign party? At the official rate or the black market rate? Negotiations



require herculean patience. And, because there are no clear policies, Myanmar officials could come up with new and separate demands each time they sit down to negotiate, said one exasperated foreign participant.

Chung Sun Kyang, managing director of Daewoo Electronics Myanmar, said the dual rate puts Myanmar's weak industrial sector at a disadvantage against importers.

Despite a big concession on customs duty and sales tax, Mr Chung calculated that consumers end up paying more for Myanmar-made Daewoo television sets than they do for the highly popular imported Toshiba sets which attract a steep 150 per cent customs duty. The reason: customs duty is levied on the official exchange rate based on the imported foreign price but the sales tax on Daewoo televisions is based on their selling price and hence, the market rate, which is 20 times more than the official rate.

BG Abel's response is that at the country's current stage of development, Myanmar needs foreign investment to help it export, not sell to the local market, although the FIC rules allow 10-15 per cent of production to be sold domestically.

But shipping goods can be a very expensive affair. Freight charges are high because of the slow turnaround time—a result of inadequate port facilities and time spent waiting for cargo for the ships' return journey.

Thus, it cost twice as much to ship Daewoo televisions from Yangon to Europe than to move a similar cargo from Seoul to Europe.

BG Abel readily admitted to this problem but said India faced the same problem. One solution, he suggested, is to use Singapore as a hub—that is, to ship goods from Yangon to Singapore, and thence to the rest of the world.

Manufacturers are also hindered by the lack of supporting industries. Daewoo, for instance, has to bring in virtually every component, from picture tubes to printed circuit boards, plastic parts and even packaging.

Another perennial problem is erratic power supply. Most manufacturers bring in their own generators. But things are improving. Julia Yin said that when she first returned in 1990 to take up her job as general manager of Yangon Garment, the local banks didn't even know what letters of credit are. Today, they can handle export documents reasonably well. Previously, there was only one shipping line. Now, there are two, she said.

And things should improve further. There will soon be more telephone lines, more and better hotels, more flights, and more tourists and businessmen.

The market reform policies did make an impact. Real GDP growth was 10.9 per cent for the fiscal year ended

March 1993 against a targeted 5.6 per cent and against negative growth in 1991/92, according to official statistics.

But Zaw Win, the planning director at state-owned Myanmar Heavy Industries, is emphatic: "We can't be satisfied with 5 or 10 per cent growth. We must grow faster. We're starting from zero."

That probably sums up the business scene in Myanmar. There's no denying that investment in the country is fraught with risks of all kinds—political and economic. But as China's market experiment shows, it is the early birds who stand to reap the biggest gains when these reforms are allowed to take firm roots.

### Article Examines Results of Free Market Policy

*BK0708151793 Singapore BUSINESS TIMES in English 4 Aug 93 p 22*

[Article by Dr. Mya Tan, research fellow with the Singapore Institute of Southeast-Asian Studies, titled: "Myanmar Places Its Bets on Free Market Economy"]

[Text] After more than three decades of experimenting with a centrally planned economy, Myanmar [Burma] is going free market.

This is not, however, something the country is unaccustomed to, given Myanmar's origin as a free trading economy for almost 100 years before independence. The question is how quickly the country can readapt itself to the market economy it had long [ago] abandoned.

An open economy existed in Myanmar for nearly a century before World War II. After gaining independence from the British in 1948, various Myanmar governments experimented with the mixed economy. The private sector played a leading role, but that stopped in 1962 when a centralised state planning system was introduced.

The planned economy did not generate high growth or sustained development. So, when the present regime, the State Law and Order Restoration Committee (SLORC) took power in 1988, Myanmar joined other former centrally planned economies in Eastern Europe and Asia to go the free market way.

A series of reform measures have been introduced. The socialist economic system was even officially discarded, unlike in China, Laos or Vietnam. For good measure, the country's name was changed from "the Socialist Republic of the Union of Burma" to the "Union of Burma" and later to the "Union of Myanmar."

As a significant step to opening up, the government announced at the end of 1988 a liberal foreign investment law. Since then, foreign investors can establish 100 per cent foreign-owned firms or joint-venture firms. The private sector is allowed to participate in domestic and external trade. Border trade has been formalised with China, Thailand, Bangladesh and India. Even external



trade has been supplemented with various other methods of economic exchange, such as barter trade, simultaneous transactions of exports and imports, an "import first and export later" scheme as well as exports and imports on a consignment basis.

To promote private sector development, the amended Companies Act was reintroduced and, after more than a quarter of a century, the Myanmar Chamber of Commerce was reestablished, albeit with the Executive Committee nominated by the government. What this means is that private entrepreneurs are now permitted to form partnerships and limited companies.

A new income tax regime is also now in place, with lower tax rates. As an integral part of the privatisation programme, a number of small and medium-sized industrial establishments were reinstituted to the former owners. Selected State-owned Enterprises (SOEs) have also been offered to the private sector as leases or joint-ventures. As in other transition economies, the SOEs get more autonomy in pricing and other management affairs. The SOEs are now also allowed to form joint ventures with the local and foreign firms. More importantly, the government decontrolled the production and the pricing of most agricultural products in the domestic market.

Reforms have also been carried out in the financial and monetary sectors. Banking services have been extended and the state's single-bank system has been transformed into a market-oriented one. Private banks are now allowed to function alongside a central bank-regulated state banking system.

The reforms that Myanmar has taken thus far are being similarly experimented in some of the transitional economies. Are the changes in Myanmar working?

One way to evaluate the impact is to look at the performance of the economy, activities in the private sector as well as structural changes.

GDP, in terms of ownership structure, seems to show no significant change during the last five years.

The private sector's contribution to GDP grew slightly from 72 per cent in 1988-89 to 75 per cent, according to official provisional data. The state sector's contribution declined marginally from 22.6 per cent to 22.5 per cent in 1992-93. On the other hand, the total number of registered local and foreign business firms increased very rapidly from 130 in 1988-89 to 7904 in September 1992.

Thus, despite the surge in the total number of private firms, the increase in the private sector's contribution to GDP seems negligible. The contribution to GDP by the productive sectors (such as agriculture, industry and mining) during the last five years also did not change significantly, remaining constant at 60-61 per cent.

If one looks at the GDP in real terms, it is obvious that the value of kyats 54,170 million in 1992-93 is still less than the 1985-86 value of kyats 55,989 million although

the economy seems to have recovered slowly since 1989-90. In terms of growth rate, this fell from 3.7 per cent in 1989-90 to minus one per cent in 1991-92, although it grew substantially to an impressive 10.9 per cent in 1992-93, according to the government's provisional data (see Table).

Last year's good performance is attributed to a 15 per cent growth in agriculture brought about by an increase in cultivated area and good weather. The mobilisation of government economic organisations and departments in 1992-93—designated as the "year of the economy"—is also partly responsible for the achievement. However, this recovery was marred by high inflation and continuing government deficit.

Evidently, unlike in the other Asian transitional economies, the performance of the economy since the introduction of reform, so far falls short of expectations. What has been achieved so far, as a Myanmar economist suggested, seem unrelated to the reforms.

Why is the economy not ticking as it should?

Although the reform measures are part of the standard policy package to put the economy on the right track, some essential steps have not been taken.

Firstly, the official exchange rate is very much overvalued—the market rate is about 20 times higher. This causes price distortions and high inflation. Secondly, there is continuing public sector deficit and the money supply is increasing at the rate of 40 to 50 per cent annually.

Under the present trade regime there is a considerable increase in the number of local and foreign firms. However, their activities are limited by many restrictions, regulations, bureaucratic hurdles and "discretionary measures."

There was an increase in foreign direct investment up to 1991 (from about US\$200 million in 1990 to more than US\$650 million in 1991). This later stagnated due to a lack of conducive business environment such as high transaction costs, uncertainty and unpredictability due to frequent changes in policies, procedural ambiguities, inconsistencies, and lack of infrastructure.

Also, the embargo on new aid from the West and Japan due to the political situation in the country has had a heavy impact on building infrastructure in Myanmar.

Moreover, the speed of the reform is slow and there exists a long time-lag between the announcement of reform measures and their implementation. As a World Bank report suggested, the policies pursued in recent years constitute partial or incomplete reforms that are inadequate to turn the economy around and move it onto a strong and sustainable growth path.

Can the reforms work?



It is an undeniable fact that Myanmar's economy is now more open than at any point of time since 1962 although it is still not as open as China or Vietnam. Despite the slow pace, the process of reform is irreversible.

Like China and Vietnam, where reforms are working, Myanmar has the potential for development—natural resources, human capital resources and good geographical location. With such endowment and its growing economic links with the world's fastest growing region, its national output and living standard could be raised much higher than they are now.

With these "plus factors," Myanmar's economic reform can be made more effective. However, the shortcomings in the system have to be eliminated. This can be done by rapidly implementing appropriate stabilising policies, such as control of money supply, and carefully-designed structural adjustments, such as exchange rate management. Only then will Myanmar's economy be in a better position to catch up with its dynamic neighbours.

It is important to note that political stability is a basic requirement for any successful reform. However, the experiences of the former socialist nations of Eastern Europe bear an important lesson for Myanmar—partial reform can be worse than non-reform.

#### **Rebel Premier Speaks on 1988 Uprising Anniversary**

*BK0908123793 Oslo Democratic Voice of Burma in Burmese 1430 GMT 8 Aug 93*

[Speech by Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma, NCGUB, on 8 August to mark the fifth anniversary of the "four-eight" uprising on 8 August 1988; place not given—recorded]

[Text] Dear respectable parents and people, today—8 August 1993—is the fifth anniversary of the four-eight uprising which has become a milestone in the history of Burma's democratic movement. Has a democratic system emerged in Burma yet? Has the one-party system totally vanished in Burma yet? There is no democratic system or any democratic rights in Burma. Although the BSPP [Burmese Socialist Program Party] was disbanded, it was replaced by the SLORC's [State Law and Order Restoration Council] military dictatorial rule. We should not forget this fact.

Today, on the fifth anniversary of the four-eight uprising, we should all analyze the changes in the world and in Burma during this five-year period, as well as the subsequent consequences since 1988. The multiparty election in 1990 is the most significant among the various effects since 1988. The SLORC military clique was ostracized by the international community and became isolated for ignoring the 1990 election result. Furthermore, due to international pressure, the SLORC military clique has had to release some political prisoners and halted its large-scale offensives in some

regions. But to maintain its power, SLORC is striving for the emergence of a constitution that will suit its needs.

Dear parents and people, the fate of Burma must be decided by its citizens and all races represented in the country. The world continues to respect and admire the Burmese people's diligence, perseverance, spirit, and strength shown during the 1990 election. We may well face this kind of scenario again. Also this time, you must show your strength. Boycott all activities directly linked to the SLORC military clique and oppose the military dictatorial system mentally and physically.

Dear officers, commanders, and privates in the Defense Services, today the SLORC military clique is going against the will of the people by ignoring the 1990 election result and it is delaying the emergence of democracy, selling the country out for its own benefit. Instead of finding a political solution to a political problem, it is staging offensives against its brothers—national races. I do not have to emphasize to the members of the Defense Services that the SLORC is using the Defense Services' name and its support for these offensives. General Aung San, father of the Defense Services, once said: The Defense Services must protect and defend the public's life, shelter, and wealth and to fulfill the desire of the public. The Defense Services are the child of the public. The Defense Services are for the country; the country is not for the Defense Services. I want the Defense Services founded by Gen. Aung San to continue to be a source of public pride. I do not want the Defense Services to be despised by the people for being a SLORC puppet. Now the Defense Services must decide on this matter.

Dear parents and people, our NCGUB, and the representatives elected during the 1990 election, promised that we will continue to strive for democracy, peace, and the emergence of a genuine federal union unless we complete the political procedures initiated by the four-eight uprising.

I urge you to join hands with us until we complete our struggle for the four-eight uprising started by the students, and for the second independence mentioned by Nobel Prize Winner Daw Aung Suu Kyi.

May you all be free from danger.

#### **Thai Army Chief Arrives on Goodwill Visit**

*BK0908151393 Rangoon Radio Burma in Burmese 1330 GMT 9 Aug 93*

[Text] A Thai goodwill delegation led by General Wimon Wongwanit, commander in chief of the Royal Thai Army, arrived by special aircraft in Yangon [Rangoon] at 0910 today.

The delegation was welcomed at Yangon airport by Lieutenant General Maung Aye, deputy commander in chief of the defense services and Army commander in



chief; Lt. Gen. Tin U, Army chief of staff and commander of the No. 1 Bureau of Special Operations; Brigadier General Than Tun, vice adjutant general; Colonel Thura Myint Maung, deputy Yangon command commander; and senior military officers.

Furthermore, a 17-gun salute was accorded as the Thai Army commander in chief was descending from the plane. Later, the visiting Royal Thai Army commander in chief and Lt. Gen. Maung Aye, deputy commander in chief of the defense services, received a salute and viewed the Army, Navy, and Air Force guard of honor. They later left by motorcade to the defense services guest house.

Gen. Wimon Wongwanit and party accompanied by Vice Adjutant General Brig. Gen. Than Tun visited North Dagon Myothit at 1330 and were welcomed by Col. Sein Htwa, commander of the No. 77 Light Infantry Division, and responsible personnel. U Tin Win, joint secretary of the Dagon Myothit construction committee, explained matters relating to the satellite town. Responsible personnel next gave answers to questions raised by the visitors. The entourage later viewed the furniture showroom of the Myanmar [Burma] Timber Enterprise and were shown around by Manager U Khin Maung Win.

The visitors next inspected the new Dagon University construction project and were briefed on the project by Higher Education Department Deputy Director U Shwe Hlaing and Public Works Director of Architecture U Aung Kyee Myint. Gen. Wongwanit and his party next toured South Dagon Myothit and visited the Myanmar Department Store. They were welcomed and shown around by U Mya Than, general manager of Myanmar Department Stores, and responsible personnel. The visitors later visited the Yangon-Thanyin [Syriam] bridge and the gems trading enterprise, where they were shown around by Director U Hla Aung.

Lieutenant General Maung Aye, deputy commander in chief of the defense services and Army commander in chief, hosted a dinner in honor of the visiting guests at the defense services guest house at 1900.

#### **Received by Premier Than Shwe**

*BK0908143993 Rangoon Radio Burma in Burmese  
1330 GMT 9 Aug 93*

[Text] Senior General Than Shwe, prime minister of the Union of Myanmar [Burma], defense minister, and commander in chief of the defense services, received a visiting Thai goodwill delegation led by General Wimon Wongwanit, commander in chief of the Royal Thai Army, at the Protocol Hall of the People's Assembly Building at 1030 today.

Present at the occasion were Lieutenant General Maung Aye, deputy commander in chief of the defense services and Army commander in chief; Vice Admiral Than Nyunt, Navy commander in chief; Lt. Gen. Thein Win,

Air Force commander in chief; Lt. Gen. Khin Nyunt, commander of the Bureau for Study of Military Strategy; Lt. Gen. Tin U, Army chief of staff and commander of the No. 1 Bureau of Special Operations; and Brig. Gen. Than Tun, vice adjutant general.

### **Malaysia, Singapore & Brunei**

#### **Malaysia**

#### **Mahathir on Western Media, UMNO Polls**

*BK0708100993 Kuala Lumpur Voice of Malaysia in English 0600 GMT 7 Aug 93*

[Text] Malaysians should regard the multiracial, multi-religious, and multicultural character of their society as a plus factor and not an obstacle to development. Prime Minister Datuk Sri Dr. Mahathir Mohamed points out that Malaysia can now claim to be the most successful country in overcoming political, economic, and social problems. Malaysians have proudly shown the world that despite the existence of many different races, it has achieved stability and progress, but it will continue to work together to achieve greater success.

The prime minister was opening the annual General Assembly of the Malaysian Indian Congress, MIC, a component party of the ruling National Front in Kuala Lumpur. He cautioned that some Western media are out to destroy the stability and progress achieved by the country. They have attempted to incite quarrels and disputes among Malaysians. These Western media prefer to see the country in chaos. Datuk Sri Dr. Mahathir cites an example: Some foreign media have interpreted his presence to open a National Front component party's general assembly as a gesture of his endorsement for the party's leadership. By doing so, they hope to incite chaos within the party and the community it represents. He points out the act of officiating the annual General Assembly of a component party by the ruling coalition's chairman has been made a tradition since the time of Tengku Abdul Rahman, the nation's founder. The prime minister also stressed the importance of effective leadership for the country to achieve progress. He said without leaders with integrity who can guide the country toward the right direction, progress will not be achieved.

Speaking to newsmen later, Datuk Sri Dr. Mahathir, who is also UMNO [United Malays National Organization] president, said UMNO vice president Datuk Sri Anwar Ibrahim is entitled to change his mind about contesting the post of deputy president. But he will remain neutral in the interest of party unity. The prime minister said it is only proper that he should maintain his neutrality if [words indistinct] to be accounted. Datuk Sri Dr. Mahathir is also chairman of the National Front, or Barisan Nasional. He added that it is his duty to unite UMNO, should there be a split among party members if the contest is intense. Datuk Sri Anwar is also the finance minister.



**Editorial Urges 'Concrete' U.S. Action on Bosnia**  
*BK0908125593 Kuala Lumpur NEW SUNDAY TIMES*  
*in English 8 Aug 93 p 12*

[Editorial: "Act, Not Talk, Tough on Bosnia"]

[Text] Horrified by the prospect of a repeat of the First World War, British Prime Minister Neville Chamberlain readily consented to palm off a chunk of Czechoslovakia to Hitler in exchange for a promise from the German dictator that he would go no further. That Munich Agreement of September 1938 has since become a byword in the futility of appeasement—Hitler completed the annexation of Czechoslovakia by March of the next year and handed the allies with the fait accompli of the invasion of Poland almost exactly a year later. Pro-Bosnia demonstrators waving placards of "Remember Chamberlain" at European capitals throughout the civil war of the last 16 months were not contriving a fancy historical allusion.

The Europeans' anxiety to wrap up the problem of the Balkans at apparently all costs, sacrificing principle and buying off fascists, has imbued its mediatory stance from the outset, when they abdicated all responsibility for a fair outcome in the Bosnian crisis. Just as in the months preceding the Second World War, the Western Europeans have jettisoned plan after plan in an exhaustible faith in the utility of diplomatic negotiations, while the terms of the conflict were, in fact, being set on the ground, by armies. Since the Vance-Owen proposal was quietly, though not explicitly, allowed to collapse, the European policy has been to corral the warring sides into the framework of a "union" without addressing the issue of territorial share-out—which is, and has always been, the core issue. The Europeans know, and probably intend, to make no difference at all in Bosnia, and have blocked anyone else from trying to do so.

European pussyfooting, and their fear of having, for the umpteenth time this century, to look to the Americans to lead them out of a mess in their own backyard are the two mutually reinforcing factors behind the stalemate of any multilateral initiative in Bosnia, whether initiated at the United Nations, or NATO, or anywhere else, even at the Organization of Islamic Countries. But both its paralysis and its wariness of American stewardship are inviting American unilateralism. Frustrated at the United Nations Security Council, which voted down its proposal for lifting the arms embargo on the Muslims, and at NATO, where its West European allies collude to pour cold water on its resolve, the U.S. could now find [itself] in a crossroads. It could take the positive action to at least partly redeem itself in the eyes of the Muslim world, or take on the starring role in the sideshow of impotence currently being assiduously staged by the Western powers.

The American offer of air strikes in Bosnia, at first targeted on Serbian advance positions and now to be confined to the protection of UN peacekeepers, should not merely be employed to prod the Bosnian Serbs to

tone down their obstinacy over captured territory. Over and over again, they have said that they won't give up a square inch of land they purport to have won by blood (when in fact it has been grabbed from innocent and unarmed Muslims.) Trophies won by force will not be given up in a parley of mere words. A concrete demonstration that America means what it says, rather than demurely allowing itself to be out-argued by the hyperbole of Europeans, is what is called for in Bosnia. If the U.S. is honest about an end to the Bosnian horror, it must take the sort of action "needed to press Serbs to negotiate in good faith and to reassure Bosnian Muslims that they will be left with a viable, if small, territory that will not exist at the sufferance of its enemies."

That is the sort of State Department pronouncement that gives heart to all who care about anything like an equitable conclusion to the Bosnian imbroglio. The Europeans have proven, even with the ongoing diplomatic efforts of Lord Owen and Thorvald Stoltenberg, that they are chary of any commitment to a durable peace in Bosnia. Dare the rest of the world place its slender hopes on the Americans? Or has the U.S. been stringing us all along with brave words that have never been intended to [be] put to the test?

## Singapore

**Goh National Day Message Stresses Economic Vision**

*BK0908154593 Singapore THE STRAITS TIMES in English 9 Aug 93 p 27*

[National Day message by Prime Minister Goh Chok Tong]

[Text] Our economy is doing well this year. Second quarter growth is a strong 10.1 per cent, making an overall average of 8.7 per cent for the first half. For the year as a whole, MTI [Ministry of Trade and Industry] projects that we will achieve 7.5 to 8 per cent growth, better than 1992.

There are three main reasons why we are doing well. Firstly, the region is prospering, and we are prospering with it. Indonesia and Malaysia are both developing rapidly. One third of our manufacturing investments overseas go to Malaysia. Our cooperation with Indonesia now extends beyond Batam, to include Bintan and the Karimun Islands. The Growth Triangle has not just been a successful deal in itself, but has also become the model for other cooperation schemes among the ASEAN countries.

China's massive economic surge has transformed the outlook for the whole region, and created many opportunities for us. Singapore companies are planning to set up industrial parks in Wuxi and Suzhou. Shandong's governor has offered Singaporean businessmen special consideration. There is great potential in Shandong Province.



In India, Prime Minister Narasimha Rao's efforts to reform and open up the economy are also beginning to show results. Our economic ties with India, which used to be relatively small, have become more important. Indian companies are now looking outwards, and see Singapore as a promising base for their activities in our region. Singaporean firms are teaming up with Indian companies to develop the Indian market, and tap India's large pool of talent.

Recently, a Singaporean business delegation visited Bangalore, which is India's Silicon Valley, to explore developing a software park there. We must continue to go regional and sprout a second wing. This will yield us long term benefits.

Secondly, we have done well because we have stayed competitive, even though our costs have gone up somewhat in recent years.

The World Economic Forum has again rated Singapore as the most competitive among 15 newly industrialised economies this year. Fortunately, being competitive is not just a matter of the lowest wages and cheapest office rents. The political stability of the country, the willingness of the workers to work hard and learn new skills, the quality of the infrastructure and the efficiency of the government administration, all count. In all these respects we have done well. Every Singaporean can take credit for and be proud of this.

Thirdly, we have been nimble enough to seek out new opportunities and take advantage of them. So we are prospering even when most of the developed countries, which are still our main markets and our main sources of investments, are in economic difficulties. Our domestic exports are growing by 18 per cent this year, while world trade is increasing only by 4 per cent.

This is because we have made timely adjustments to keep ourselves on course as the global economy changed. Our universities, polytechnics, and ITEs [Institutes of Technical Education] are constantly revising their courses and intakes to ensure that our young people get a relevant education and find good jobs when they graduate.

We concentrate on creating new jobs in expanding industries, not protecting old jobs in declining ones. From time to time workers have to be retrenched or redeployed, perhaps when their companies move production lines offshore. The Government will assist these workers to retrain and upgrade themselves through the Skills Development Fund. We will help them to find and adapt to new jobs, and also share the fruits of prosperity and economic growth. This flexibility has enabled us to grow consistently faster than others who have not been as flexible.

Our economic prospects for the next few years look good. Nevertheless I want to draw a lesson from the economic plight of the western industrialised world. What has happened to them may one day happen to us.

America, Canada, Australia and Europe all suffer from high unemployment and low economic growth. The unemployment rate in America is 7 per cent. In Canada, Australia and Europe, it is more than 10 per cent.

The total number of persons unemployed in the 24 OECD [Overseas Economic Cooperation and Development] countries may reach 36 million by next year—12 times the population of Singapore. Worse, people now fear that even a sustained recovery may not bring unemployment down to an acceptable level. Americans have coined a new term "jobless growth" to describe this phenomenon.

Many of the jobs lost are gone forever. The new jobs being created call for different skills. Knowledge workers will be in high demand. But low-skilled workers will be vulnerable to competition from developing countries with abundant labour. Their jobs have either been automated out of existence or transferred to Third World countries where costs are much lower.

Singapore has no unemployment problem. We have the opposite problem—shortage of workers and high demand for foreign workers. Why should we worry about unemployment?

My concern is not with this year or next year, or even the year after. We are well placed to achieve at least 4 per cent to 6 per cent growth per year for the next few years. But to secure our longer term economic future we must avoid the mistakes of the industrialised countries.

We have enjoyed a bull run for 28 years, from 1965 to 1993. I worry that this may have lulled some of us into believing that economic growth is natural and inevitable. Remember that the industrialised countries, too, once enjoyed 30 years of continuous growth. After the Second World War, until the early 1970s, they saw steady uninterrupted economic expansion. Incomes rose, and so did standards of living. The good life lasted for one whole generation, but not forever.

Why is the western industrialised world in such a predicament today? Firstly many of their industries have not kept up with competition. The developing countries, especially in Asia, now manufacture many products more cheaply, because of lower labour and land costs. The industrialised economies must restructure themselves to adapt to this new global economy, but they are finding it very painful to do so.

Secondly, governments in developed countries have shied away from necessary but unpopular policies in order to win electoral support. They introduced well-intentioned social and welfare policies which cushion their populations from the realities of the marketplace. They protected industries which were becoming uncompetitive, like agriculture and steel, with state subsidies and import tariffs instead of either shutting them down or revitalising them. Over time, these policies became



millstones around the necks of taxpayers. They made it difficult for the developed countries to adapt to changing circumstances.

Thirdly, the developed countries, except for Japan, have lost the use of fiscal policy as an instrument for managing the economy. Their budgets are in chronic deficit because of excessive social spending. In a downturn, their governments have no leeway to spend more to pump-prime the economy, and hasten the recovery.

Singapore is now where the western world was during the early 1970s. We are past the double-digit high-growth phase, and settling into the single-digit mature growth phase. Will we face the same economic problems as the West? Will we lose jobs to other emerging dynamic economies with lower costs? Or will we find fresh responses to new challenges, and work out new ways to stay ahead?

We have avoided many of the West's structural problems: We have a budget surplus, we shun welfarism, we emphasise education and vocational training, we promote flexible wages. We do not practise fractious adversarial politics. We do not allow populist pressures to prevent us from taking rational, hard decisions, for example, with COEs [certificates of entitlement] and GST [goods and services tax]. Nor do we have musical-chair governments.

The future belongs to countries whose people make the most productive use of information, knowledge and technology. These are now the key factors for economic success, not natural resources. To stay ahead we must keep on improving our skills, knowledge and productivity. Only then can Singaporeans enjoy high and rising standards of living. Hence our heavy investments in education and in the productivity movement.

Let us learn from other peoples' experiences, and be resolute and far-sighted in tackling the challenges ahead. Only in this way will we avoid the problems of the developed countries, and continue to succeed in the next phase of our development.

#### **Police Officers Return From UN Duty in Cambodia**

*BK0708143693 Singapore Singapore Broadcasting Corporation in English 1100 GMT 7 Aug 93*

[Excerpt] The final batch of 24 Singapore police officers returned home this afternoon after serving six months with the United Nations Transitional Authority in Cambodia, UNTAC. The officers had served with UNTAC at various levels, including overseeing the UN-sponsored election in May. The contingent led by ASP [Assistant Superintendent of Police] Sony Tay was met on arrival at Changi Airport by the acting commissioner, Jagjit Singh, and senior police officers. [passage omitted]

#### **Double Taxation Avoidance Treaty With Pakistan** *BK0708150693 Singapore THE STRAITS TIMES in English 7 Aug 93 p 44*

[Text] A double taxation avoidance treaty between Singapore and Pakistan has been ratified by both countries and is now effective, the Ministry of Finance said yesterday.

In a statement, MOF [Ministry of Finance] said the agreement, which was signed on April 13, will apply to income derived on or after January 1, 1987.

MOF said the agreement aims to eliminate double taxation and boost the cross-flow of trade, investment, technology and skills between the two countries.

To achieve these objectives, the agreement limits one country's right to tax dividends, interest and royalties paid to residents of the other country to 15 per cent, 12.5 per cent and 10 per cent respectively.

It also provides for mutual exemption from, and credit against income tax on profits derived from operation of aircraft and ships providing international traffic services.

When contacted, the commercial counsellor at the Pakistan High Commission in Singapore, Mr. Abdul Hafiz Mirza, said the new treaty will boost two-way trade as well as investments by Singapore companies in Pakistan.

There are no Singapore investments in Pakistan presently, he said.

Singapore's main exports to Pakistan are telecommunication equipment, industrial machinery, spices and electronic products, while Pakistan's main exports to Singapore are textiles, leather, carpets, and fruits and vegetables.

Trade between Singapore and Pakistan last year fell 12 per cent to S\$564 million. Exports from Singapore to Pakistan amounted to \$430 million, while imports from the South Asian country were \$134 million.

Mr. Mirza attributed the drop to global recession.

#### **Cambodia**

##### **Ranariddh Addresses People in Kompong Cham 5 Aug**

*BK0908061793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 8 Aug 93*

[Speech by Prince Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia, on 5 August in the conference room of the Kompong Cham provincial town hall—recorded; first four paragraphs are introduction]

[Text] On the morning of 5 August Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun



Sen, cochairmen of the Provisional National Government of Cambodia [PNGC], accompanied by high-ranking PNGC officials, paid a working visit to Kompong Cham Province to seek to understand the work situation and the life of people in the province during the transitional period.

Upon arriving in Kompong Cham provincial town, Prince Kromluong Norodom Ranariddh and H.E. Hun Sen were warmly received by the governors of Kompong Cham, Kratie, and Kompong Thom provinces, and leading officials from various services and departments under the jurisdiction of Kompong Cham Province.

At 1430 on the same day, Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, PNGC cochairmen, talked to district and provincial officials of Kompong Cham, Kratie, and Kompong Thom, and military officers from the 2d Military Region in the conference room of the Kompong Cham provincial town hall.

After listening to successive brief reports by Hun Neng, Kompong Cham provincial governor, summarizing the situation; by Thoe Kroeunvuttha, Kratie provincial governor; and by Chieng Am, Kompong Thom provincial governor, on the results of the rainy season production and the work dealing with public health, education, cultural and social affairs, particularly security and public order during the transitional period, Prince Kromluong Norodom Ranariddh spoke in these terms:

Beloved and highly considered excellencies, chairmen, state ministers, ministers, deputy ministers, provincial governors of Kompong Cham, Kratie, and Kompong Thom, excellencies senior and junior military officers, police commanders, and distinguished personnel of Kompong Cham Province, which is referred to as Cambodia's second province:

First, as PNGC cochairman today I am very moved by the opportunity to visit all of you, leading officials in Kompong Cham provincial town, in the company of H.E. Cochairman Hun Sen, who is an outstanding son of Kompong Cham Province. This is another source of my pride as PNGC cochairman. H.E. Cochairman Hun Sen and myself, and all excellency leaders of our PNGC, have listened to addresses made by excellency governors of Kompong Cham, Kratie, and Kompong Thom Provinces.

First, as cochairman and on behalf of H.E. Cochairman Hun Sen and on behalf of the entire PNGC, I would like to express most profound admiration and gratitude to excellency provincial governors and colleagues, both civilian and military, for their efforts despite difficulties, hardships, and shortages to promote development in the three provinces and arrive at a situation which we have recognized as a good situation compared to all kinds of shortages you have just described to us. Although we must talk about the former State of Cambodia [SOC], today we must express admiration to the former SOC with all of you, the Cambodian people in the three provinces, for the satisfactory results you have scored in

the past. The two of us again and again hope that at present and in the future, all of you, who are children of the samdech [Sihanouk] and Cambodian patriots, will unite and follow the Prince Father without forming clans or groups. There are no longer any parties; we have only one single party. We are nationalist Cambodians under the leadership of the Prince Father with a government born from the free will of the Cambodian people.

From my own observation and that of H.E. the Cochairman, the issues excellency governors of the three provinces have just raised are the same. The urgent issue is that of the Party of Democratic Kampuchea [PDK], the Khmer Rouge. The second issue is that of insecurity and order in society, cities, and rural areas. The third problem is that of general shortages.

The third issue, that of general shortages, has been discussed by the Prince Father. It is a problem faced by new states all over the world. This is an issue we can almost consider to be ordinary. In the delegation visiting Kompong Cham provincial town are excellency ministers in charge of energy and public works, a state minister in charge of agriculture, and an interior deputy minister. Therefore, I believe that these leaders can solve, along with the two of us, the third issue the governors have just raised.

Concerning the serious issue, the first issue, which is that of great leaps and bounds, dealing with the PDK, called the Khmer Rouge side, I would like to express my views. I think H.E. Cochairman Hun Sen has also expressed similar views. Here they are:

The excellency provincial governor of Kratie said: Please help, prince. O.K., this is our duty; however, you should help, too, from below. This concerns political and concrete problems. The Kompong Cham provincial governor correctly said after the election that the PDK did not take part in the election; then the PDK changed positions, saying it fully supported the elections. It did not take part, but it supported the election. Furthermore it supported and recognized the results of this election. From what I have heard, it even welcomed them. A constituent assembly was born of the will of over four million Cambodian people, who have unanimously and warmly voted to hand over power to the Prince Father in his role as Cambodia's head of state, father of national reconciliation, and father of the Cambodian nation and head of state.

In the words of H.E. the Kompong Cham provincial governor, the prince's idea was a brilliant one to set up a national reconciliation government and a government representing two big national parties and another Cambodian party. We call this government the PNGC with H.E. Cochairman Hun Sen and myself, Norodom Ranariddh, as cochairmen. This government was born of the people's will. Furthermore, the Prince Father said this is the only formula. H.E. Khieu Samphan visited the



Prince Father and said: We not only support this but also welcome this government, which is a national government.

So, after this we do not understand; we do, but we pretend not to. Because he [Khieu Samphan] also pretends not to understand. So we do the same. How did we not understand?

Before, he talked about the puppet government, a government installed by others. Then there was the election. The election result was then recognized along with the constituent assembly and the establishment of this PNGC. Then, attacks still take place. In one message he still talks about puppets. Frankly, H.E. Hun Sen and I, the two of us, discuss major issues with each other. We never consult anyone else, not even experts. The charge of being puppets has been levelled at us. This is the first thing.

The second thing is that at the same time he says he wants to rejoin our society and nation. He left by himself and wanted to come back by himself. We have made it clear that the door to society and the nation remains open—not that the opening is getting bigger and bigger. There is only one national door because there is only one Cambodian nation.

However, before he can come back [changes thought] we do want national union and national reconciliation. The election is for peace and to provide peace and national reconciliation in accordance with the aspiration of our people in general, is not that so, excellencies? This is in accordance with the Cambodian people's need. We must end the war and reconcile the nation and reconcile Cambodians. We do not want to shed Cambodian blood and prolong the war among Cambodians. This is the concrete and clear stance of the Cambodian people—that is, the PNGC.

However, Khieu Samphan said all this. First, he wants to be part of the national army. We said: If you want to do this, please come and be part of the Cambodian National Armed Forces [CNAF]. However, this framework should not be used for a quadripartite national army. Quadripartite means that Cambodians cannot be united. If sides still exist, there was no need for the election, for a national government, and for a national army. So, the Cambodian problem is that Cambodians are still divided.

Another point: If we continue to talk about sides, this means that each army will maintain its units. Therefore, national reconciliation and the establishment of a single national army [changes thought] I am very happy today to witness the presence of representatives from the former SOC army and the former National Army of Independent Cambodia, ANKI. Their uniforms still differ simply because we do not have money. A joint staff office has been set up. Uniforms and rank insignia have already been designed and submitted to the Prince Father for signature in his role as head of state. They were sent to Pyongyang, North Korea, a long way away.

As soon as these are approved, along with the money—there is some money already—it has been said that taxes have increasingly been coming in; they are still not much, but they are coming in. Therefore, we have the ability to organize and set up a budget.

Talking about the national army: Excellencies and gentlemen, we have only one flag, not two or three anymore. There is only one Cambodian nation. There is only one supreme commander of the national armed forces; there are not two or three commanders, only one, namely the prince head of state in his role as head of state and supreme commander of the CNAF. There is only one nation, one flag, and one supreme commander. Then comes this talk about sides within the national forces.

We cannot accept this condition. It is not that we do not want him to join, but we cannot accept this condition on the quadripartite business. This is the first point. The second point: He wants to be a government advisor to provide assistance, and not to create conflict, in his role as a Cambodian.

H.E. Hun Sen and I agreed that in this case it is all right for him to come in and help since he wants to do this and not be a member of the government.

However, attacks in increasing numbers and intensity should stop not only in the three provinces. In Siem Reap, the situation is tense; it is also tense in Preah Vihear Province. In a number of southern areas, such as in Kampot Province, a train was destroyed, and 18 innocent people were killed and nearly 60 others wounded. Some innocent Cambodians were seriously wounded. There has been interference and activities to expand zones.

In his letter to the two of us, H.E. Khieu Samphan said that only in liberated zones can freedom and security be ensured for the people. Efforts are being made to widen the liberated zones into the so-called disputed areas. Therefore, we who are in the disputed areas must please be ready. Excellencies, what is the liberation for and from whom? [indistinct reply] It is difficult for me.

There is one head of state who is recognized as the champion of Cambodia's independence, territorial integrity, and sovereignty. He has been recognized as father of the Cambodian nation and head of state. The current government, as correctly put by the Kompong Cham provincial governor, is born of the will of 89.6 percent of the people who registered to vote. From whom does he [Khieu Samphan] want to liberate us?

There are problems with our neighbors. Our government [changes thought] Excellencies, I am sorry. Cambodia's problems are 23 years old, are they not, dating from the coup to depose the Prince Father? We have existed for only 23 days trying to solve 23-year-old problems. Even Indra and Brahma [Hindu gods] cannot do this. Of course, we do try to solve these problems. Talking about the liberated zones and the zones not yet liberated,



liberated from the Prince Father? I feel like laughing at this. We are just an instrument of the nation.

We are twins; one is the real son and the other an adopted one. Afterward, we became twins, but it is strange that one is old and the other one younger. [laughter] However, the father is the same—that is, the Prince Father. The biggest thing is the single Cambodian nation. There is only one Cambodian nation and one people. Yet, there is still talk of liberation. This we absolutely cannot accept.

Attacks and activities to expand territory: These are the issues I want to talk about in principle. We would like to ask whether the PDK was sincere when it said it wanted to join the Cambodian society and nation. We are waiting to welcome this. The Prince Father has said that if H.E. Hun Sen and I, Ranariddh, want to talk to the PDK to resolve territorial issues and the issue of peace, we should go ahead. We are planning to do this, but should we hold talks in a situation in which a knife is held to the throat? They call this holding talks?

There is another thing we must also discuss. That is the issue of Preah Vihear [temple], which the PDK attacked and seized. From whom did the PDK want to liberate Preah Vihear? I also want to know this. Pailin, too. These are territorial issues [words indistinct] problems of our entire Cambodian nation. There is only one Cambodian nation. There is only one Cambodian territory. The Prince Father has said that no Cambodians can set up autonomous zones or secede to divide Cambodian territory, of which there should be only one territory as stated in our Cambodian constitution. It says there is only one Cambodia. In the [Paris] agreement, there is reference to only one Cambodia. There is only one Cambodian territory. We have vowed before the throne, angels, and the Prince Father that Cambodians will defend the single Cambodian territory. No Cambodians, if they are genuinely patriots, can divide the Cambodian territory into autonomous zones, and so on. Therefore, the issues of Pailin, Preah Vihear, and the so-called autonomous zones must be solved. Therefore, if we want union, Cambodians should solve these problems. This is the principle we must discuss.

Now, the concrete problems: Excellency governors of the three provinces said: Thank you, the two of you, for coming to visit us. However, there are problems, major ones at that. We were wished good health to solve these major problems. What you said is true.

In the Paris agreement, it is said that the agreement should be respected. This means that we cannot violate the cease-fire. Three Cambodian parties abided by the agreement and even started to demobilize troops. However, from the beginning there was one party that never did this. On this major point I would like to remind all leading officials that at that time the former SOC, referred to as the SOC side, through H.E. Prime Minister Hun Sen, requested the right to defend itself from UNTAC [UN Transitional Authority in Cambodia].

Was this not so, Excellency? UNTAC has granted this self-defense right to the three Cambodian parties who are victims of attacks by the fourth party. Therefore, I suggest that you stop asking about this. What does self-defense mean? Take boxing, for example. Have you seen it on television? One boxer throws punches and the other fends them off. After fending off punches for a while, he throws a punch knocking out his opponent. So you see, in boxing self-defense is not only covering one's abdomen and face. It also entails counter-punching. Because if we only defend ourselves by fending off attacks, it will be impossible for us to defend ourselves. Military leaders are well aware of this.

I have also checked with local and foreign opinion. A few days ago the Americans visited us. Other countries also did the same. They are very interested in this Khmer Rouge issue. I asked them in return, saying: Suppose we take some measures to defend ourselves. It is not enough to defend ourselves in one zone. This should be done by expanding our zone of control, the zone we have lost. What do you foreigners think? They replied: If you do this, it is all right. We do not like the Khmer Rouge. Do it if you want. Because the UNTAC troops, too, have been forced to flee. They told us not to attack; we obliged. Then they, too, were forced to flee. Not only we, but UNTAC troops, too, have been forced to flee. So they said: If you can do something, go ahead.

This is why H.E. Cochairman asked the governors whether we can carry this out. The reply was yes, this can be done. I would like to tell you that before we came, H.E. Cochairman Hun Sen, myself, and other leaders, particularly General Ke Kimyan, chief of staff of the CNAF, already discussed measures to do this. We will find means to get aid. This is all I can tell you. We have not been idle. You have asked for help. We have already thought about all this. There is this red issue and others. This is all we would like to tell you. We have not remained idle. We want the chief of staff to take command of this as part of a concrete plan. We cannot discuss the zones that are (?hostile). We have made observations; we are not that stupid. It is the national government that will take measures.

Khieu Samphan asked about the troop inclusion and the request to be, I keep forgetting, adviser, and whether this would be granted or whether an answer is forthcoming. I have discussed this with H.E. Cochairman and agreed that we should not reply; we should wait until the attacks stop before we talk. In English it is: Talk, talk, fight, fight. The Khmer Rouge want to play this game with us.

However, they did not even talk before they started to attack us. After discussion among ourselves, we said: No, fight, fight, talk, talk will not do. If you want to talk, talk. If you fight, we will fight first. When they stop fighting, we will talk. Let us be clear about this. In English, it is talk, talk, fight, fight. However, we say: No, we will not play your game. Either we fight, in self-defense, or talk. Once this is settled, we will hold discussions within a national framework with a genuine national character.



H.E. Cochairman earlier correctly said that the Khmer Rouge even imposed conditions on the prince head of state. It is all right to do this to Ranariddh and Hun Sen, but not to the very top leader.

It is this condition that is the problem with Democratic Kampuchea [DK]. We understand this. Within the framework of the national armed forces, national police, and the entire government, H.E. Cochairman and myself will solve these problems concretely. These issues are vital to the nation's survival. We would like to stress this.

[Ranariddh talks to an equipment operator] Do not stop it, do not do it. H.E. Chan Youran and Mak Ben [respectively DK ambassador and DK spokesman] near the royal palace certainly watch television. So do not stop it. Play the tape in its entirety so they can watch the whole thing. Please be informed that the door to the national community remains open. Let them see what we are doing—the three of us, the three big parties, the three Cambodian sides that are now united and consider the prince as the only head of state. They are also nationalists. If you want to join, you have to be sincere toward the nation like the three Cambodian parties that are nationalists. This is a condition. We must be clear about this if the Khmer Rouge want to do something. So, the concern of Your Excellencies is justified. We are also concerned. We are not that worried, just concerned, because we want to provide stability and peace to the nation. This is the issue of the Khmer Rouge that the excellency governors have raised.

The second issue is that of security. H.E. Cochairman Hun Sen has already talked about it, for instance in circulars No. 1 and 2 in particular. Provincial governors have just said that measures have been taken to concretely implement them. The plan of the new government envisages the cantonment of our compatriots, legal combatants in particular, in garrisons, except those compatriots who have to carry out a national defense mission. This is so that we can control weapons and explosives, which abound at present.

However, I would like to inform you that this problem was the same one faced by the royal government after independence because there were many weapons around. There are many armed Cambodian parties and UNTAC has failed to disarm all of them. This is a problem causing the current insecurity. The government does know about this, in the capital city Phnom Penh, in cities, and in rural areas. The government is aware of robbery and murder affecting people's lives and property. We are aware of all this and have taken quite a few measures.

Provincial governors, of Kompong Thom Province in particular, said that since receiving the circulars efforts have been deployed and progress made. The issues of gambling and weapons must be tackled because gambling [changes thought] If the gamblers always won, they would not have stopped. Gambling does not make one rich. Poor people entertain the hope of becoming rich

when they gamble. Please be informed that if you are poor and you gamble, you will get poorer. There is no way you can get rich. When you lose, you have to get replacement money. How? Robbery. You have guns, which can be bought. This is what is meant by eliminating gambling. Gambling affects people's lives, but most of all it affects national security and the whole society.

For this reason, the PNGC's first decision is to fight gambling. Now it has been reported that gambling is no longer on the streets but has moved inside houses. When the authority goes inside houses, complaints of violations of human rights and property rights are made. Therefore, the relevant authority should really look into this.

You have raised the issue of law, the shortage of it. Therefore, H.E. Minister Sok An, please pass this law issue along. We have also discussed this. Insecurity is an issue we must discuss because, let me inform you, our Cambodia, our government, despite its young age, does not have a good name abroad. Foreign newspapers keep saying that Cambodia at present, Phnom Penh City in particular, at night is in the hands of all types of bandits and murderers. I would like to say again and again that the government is striving to take all kinds of measures.

Taking the opportunity of this visit with H.E. Cochairman Hun Sen, I would like to remind people and make the following clarification. I have heard the excellency governor of Kompong Cham Province talking about troop recruitment. On this issue, there are two movements. The first is that of the Khmer Rouge, who are recruiting soldiers using the FUNCINPEC name.

I would like to take this opportunity to stress that H.E. Hun Sen and I are very concerned about this right from the start. Since the election this has affected the lives of a number of FUNCINPEC members and cadres in some provinces, such as Kompong Cham, Prey Veng, Svay Rieng, Kratie, and so on, Siem Reap, and Battambang. Our government, and in my name as representative [changes thought] chairman of the FUNCINPEC Party, today—I do not want to talk about this party business anymore. After the election we have been together in the government; we embrace and kiss one another. H.E. Hun Sen and I do this up to three times a day. [laughter]

Our compatriots in the provinces have told me that the Excellency Governor of Kompong Cham Province should help solve this problem. Excellency governors of Prey Veng and Svay Rieng Provinces are providing assistance to solve this problem.

However, after the election there were problems. A number of our compatriots—and not an overwhelming majority as reported—have fled to the forest and bumped into them [the Khmer Rouge] there. They bumped into tigers in the forest. Since they were afraid of being eaten, these compatriots have since stayed with the tigers who say: Come to us; we are good tigers.



And in the past the Khmer Rouge have used this incident—which is connected to FUNCINPEC members—as a pretext to arm our FUNCINPEC members and push the latter to fight the Cambodian People's Party [CPP] and the SOC. Now the Khmer Rouge still push these compatriots to fight a government that also includes me, the FUNCINPEC chairman. They want to say that as FUNCINPEC chairman I have not paid any attention and have allowed the former SOC and provincial state authority to carry out oppression.

This is not so. Whenever I heard about such incidents, I always talked to H.E. Cochairman Hun Sen, H.E. Sin Sen, or other excellencies. Wherever such incidents took place, they were always dealt with. Therefore, I would like to take this opportunity to make the following appeal in my name as FUNCINPEC chairman.

The Prince Father has pronounced that our two parties, who have received the most votes, should from now on coexist, hold hands, embrace each other, and serve the nation as the Prince Father's brothers, children, and grandchildren. There are no longer clans or groups. This issue should be clearly stressed. This is the first issue.

The second issue is this: I would like to stress that I have proposed to provincial authorities in all the provinces, and through the Interior Ministry represented here by the two codeputy ministers, that these problems be solved.

The third problem is this: Those compatriots who have problems or have been cheated, FUNCINPEC members who have gone to stay in a certain zone, please come back to your home villages and districts. On behalf of H.E. Cochairman Hun Sen and of all provincial governors [Ranariddh addresses the governors present]: Isn't this so, excellencies? Please come back, you will be educated and recognized as the prince's children and Cambodian citizens, like all Cambodians, without discrimination on the basis of group and party. All three of you, excellencies, this is your promise to me. Right? 100 percent, not even 99 percent. The guarantee should be 100 percent. This is the first point.

The second point is this: I would like to stress that I and FUNCINPEC absolutely have not allowed anyone, any side, or any movement to set up an army. I would like to clearly stress that I have not allowed FUNCINPEC to do this. Do not use FUNCINPEC's name. Compatriots, grandparents, uncles, aunties, members, and all compatriots, please do not believe the propaganda that I the FUNCINPEC chairman have ordered the establishment of any forces. Excellencies, take legal measures to:

1. Make an appeal, based on the circular H.E. Cochairman and I have cosigned banning the setting up of troops outside the framework of the national armed forces. This circular should be implemented.

2. Implement the clarification I made today. First educate and appeal to our compatriots to come out from the zone and movement of the PDK, the Khmer Rouge, and

MOLINAKA [National Liberation Movement of Cambodia]. We will not allow the establishment of other armed forces apart from the CNAF. I would like to clearly stress this significant issue on behalf of H.E. Cochairman Hun Sen.

Apart from this, H.E. Cochairman Hun Sen has also taken note of the issues your excellencies have raised. The excellency minister, state minister for agriculture, has also heard this. [Words indistinct] irrigation network, fertilizers, pesticides, and floods. We hear about these problems in every province. I believe that the state minister for agriculture is aware of the problems and will or has already taken measures on this. This year seems to be better, Your Excellency.

Yes, there is a problem the excellency governor of Kompong Cham Province has raised concerning our rubber and anarchy. Talking about the national budget, do you realize that our Cambodia in the era we refer to as the Sangkum Reas Niyum era did not receive aid from anyone. What I want to say here is that in the past we were a rich country. We never begged from anyone. If we behave like that now, we will be rich like we were during that era. This is what I want to tell you.

We have two bases. One is tourism. After this I will see the minister of tourism and ask him to come and investigate. It seems that there are quite a few temples. I would like to add to this. Kompong Cham possesses the tradition of weaving the sampot hol [woman's silk skirt]. This is a special garment. First we can sell it. Do you realize that our sampot hol, with traditional designs, is sold in Thailand for up to 30,000 baht for one garment, the one with traditional designs? So, we should use the old designs and genuine Cambodian dyes, and not fake ones from somewhere else. Cambodian dyes are well liked. We have more than temples.

When we were in Laos together, did you see, Excellencies? People there made use of weaving products. The Lao brothers sell their products to tourists. They use dollars. Please be informed, soon using dollars will be banned. Cambodia has the riel currency. Why use dollars and baht? But did you see what Laos has done? We can do the same—for example in Kaoh Sotin, and near here, too. Therefore, please promote Cambodian weaving. We can export the products. We can also invite tourists to come and see it, too.

However, you are right in saying that we should solve the insecurity problem created by the PDK, the Khmer Rouge, and by illegally armed men. However, the basis of the national budget is tourism. We have the Angkor temples. We have to solve the Angkor problem, too. H.E. the Cochairman and I are very busy and have paid great attention to the Angkor Wat issue related tourism.

However, excellencies, the second issue is agriculture and this includes the forests. Talking of the forests, I beg all concerned to please stop destroying them. I have heard the report of H.E. the governor of Kratie Province. Yet, the efforts as you have described them are not



sufficient. You must close the forests out completely, otherwise there will not be any left. The forests will no longer remain our golden trove. You have just said that you get the income from forests and...what is it again?...yes, from the forests and taxes. The incomes from taxes is good but that from the forests is not good. If our incomes are based on the forests alone, then the situation must be very serious. The measures that you have taken are commendable, but you still need the assistance of H.E. the minister of state for agriculture.

Under the forests category, allow me to tell you that we also have rubber. The rubber plantations are one of our nation's biggest sources of hard currency. But, as you have said just now, there is a problem of anarchy in the control of rubber plantations. So, H.E. the Cochairman and I went to get information directly from the officials in charge of Company No. 5 themselves. For this reason, we have placed the rubber plantations under the jurisdiction of the Agriculture Ministry so we can do anything that needs to be done in order to wipe out the anarchy in this field.

Rubber is one of our biggest currency earners. I have proposed to H.E. the Agriculture Minister that from now on we should take appropriate measures so we will not be confined to selling the latex only. We should process it so we can increase its price and create more jobs. The rubber tappers continue to tap for latex in the plantations. However, since you have pointed out that there is a price problem, if we can process the rubber we will be able to create jobs for our people and bring about what the French call value added [two preceding words in French]. This will help employment and wages and improve the living conditions of the people. You have talked about rubber. But let us suppose we have here a piece of cloth. Suppose we sell only cotton, we will get no more value than that of the cotton. However, if we process the cotton into this piece of cloth, we will, first, create jobs and, second, get a better value out of our cotton. The French call this value added. See, excellencies, this piece of cloth. In rich countries it is used to dab sweat just a couple of times before it is discarded.

So, this can be applied to our rubber, and Cambodian rubber is of very good quality. Moreover, natural rubber is now a rarity. Other commodities have been losing value. If we compare them since 1950, prices on the world market have markedly decreased. Only one or two commodities can keep their prices relatively stable, and rubber is one of them. Yes, prices on the international market have decreased noticeably over the past 10 years or more.

I am very proud and very happy to pay this visit to Kompong Cham Province, especially along with H.E. the Cochairman, for this is his native land. Kompong Cham Province should also be proud to count one of its sons among the leaders of Cambodia. As for me, I am very proud today to be able to visit Kompong Cham in the company of one who has been the cochairman of our PNGC since its formation. Now that I have spoken for

quite some time already, I would like to let H.E. Cochairman Hun Sen express his opinions on the issues raised by the governor, especially on the remaining issues. We have already heard the issues concerning salaries, public health, education, and other topics. They have become quite common now. But the issue of agriculture remains dominant. We hear this issue raised everywhere we go. However, what I have seen in all provinces visited fills me with admiration. You have made great progress. I would like to admire your efforts sincerely. Please convey our admiration and praise to all concerned.

In conclusion, I would like to wish all of you the five Buddhist blessings: namely, long life, social prestige, happiness, good health, and enlightenment. [applause]

### Hun Sen Speaks

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[Speech by Hun Sen, cochairman of the Provisional National Government of Cambodia, in the conference room of the Kompong Cham provincial town hall on 5 August—recorded]

[Text] I am very delighted today. First of all, I would like to thank His Royal Highness [HRH] Prince Kromluong, who has just made a speech. I would like to stress to all of you—excellencies, ladies, and gentlemen—that we are in agreement with each other on all the remarks made by HRH Prince Kromluong concerning the political issues, including the issue of Democratic Kampuchea, and all other issues. I take this opportunity merely to add some clarifications on certain points that need to be clarified. Before dealing with these issues, I would like to paint a picture of the overall political situation in Cambodia.

A few weeks ago some of our compatriots as well as many foreigners were very worried. They did not expect that Cambodia could achieve so much. Some foreigners even fretted that Cambodia might become another Afghanistan, Somalia, Yugoslavia, or Angola. Cambodia is fortunate to have HRH Prince Norodom Sihanouk, however, who is the only person fully capable of rallying all Cambodians. So we have averted a crisis in Cambodia. Not only have we been able to avert a crisis, we have actually made it possible for the situation to develop even faster than expected under the Paris Accord. Why do I say so? According to the Paris Accord plan, after the election UNTAC [the UN Transitional Authority in Cambodia] would encounter numerous difficulties in what was called the final stage of the transitional period. After the constitution was adopted, UNTAC had the duty to hand over the existing administration and the remaining armed forces to the new government. What has happened, however, is that UNTAC does not need to perform this function because we have transferred these things by ourselves.



This is a very important point in the Cambodian situation, even though the Paris Accord has not been fully implemented because one of the factions has refused to implement it, as you—excellencies, ladies, and gentlemen—are well aware. The unexpected development in Cambodia, however, has enabled the Cambodian situation to progress faster than expected under the Paris Accord through the role of HRH Prince Norodom Sihanouk, whose august initiative was to set up a national reconciliation government now officially known as the Provisional National Government of Cambodia [PNGC]. From the creation of this PNGC emanate three positive points.

First, it averts the danger that would have been present during the final part of the transitional period and creates a sort of stability for the country. Although you have talked about problems resulting from robberies, insecurity, and disorderliness, these are merely common incidents. Even countries at peace have robberies, not to mention a country at war. No countries are without robberies. Of course, we do not want robberies to happen in our country. As HRH the prince head of state said in his Arbor Day speech, these are common problems experienced by all countries, all governments. The most important thing is to mobilize all political forces into a national force and create political stability for the nation. This is the first point.

The second point is that it helps facilitate an orderly transfer of governments after the constitution is adopted. So there will be no problem at that time since national reconciliation has already been in progress. There will be no difficulty for the government to be formed after the constitution is adopted. A government is functioning harmoniously already and two armies are already being merged. So after the constitution is adopted the legitimate government that will be formed will function smoothly. This is an orderly transfer of power. We are gradually achieving stability now. Even the problems of salaries and so on is being settled.

The third point is that UNTAC should be grateful to HRH Prince Norodom Sihanouk, to the political parties in Cambodia, and to the Cambodian people as a whole because they have facilitated UNTAC's duty in the final stage of its mandate.

Maybe you have looked up the Paris Accord, Annex II, on the military aspect. In all countries the most difficult thing to do in the political settlement of a conflict is the settlement of the military aspect. And that is the case in Cambodia, as the accord's implementation has been held up for reasons that you—excellencies, ladies, and gentlemen—are well aware of. One thing that will help facilitate it, however, is that we have formed a national army ahead of the schedule set by the Paris Accord. This greatly facilitates UNTAC's duty to transfer the armed forces of all factions and the administrations of all factions to the legitimate government after the election. As such, we can presume that the political situation has developed faster than expected.

Besides, thanks to these three aspects we have gained much time for national reconstruction. According to the Paris Accord, we should have taken three months after the election to adopt the constitution and form the government. But in reality we needed only one month after the election to set up the government, albeit provisional, but within the framework of the national government. So through that achievement we have managed to avert a crisis in the situation and create many favorable conditions for our advance. We have facilitated things not only within the national framework but also for UNTAC's duty. It also constitutes an encouragement, a precedent for settlement in other regions.

As you know, the United Nations is becoming bogged down in a number of regions. Fortunately, it has averted a quagmire in Cambodia. This is also a historic experience for the United Nations. No UN operation is bigger than the one in Cambodia. And this operation can be considered successful. Let us not forget that it has been successful thanks to the role of HRH Prince Norodom Sihanouk and thanks to the role—the will—of the political parties in Cambodia and the Cambodian people as a whole who want peace, national reconciliation, and democracy. This is a most important factor that can avert unexpected things.

After this, I would like to raise some issues that HRH Prince Kromluong has already dealt with. I only want to stress some specific points. What are the priorities of the government? You may have been aware that since assuming office in the PNGC, the cochairmen as well as other cabinet members have focused attention on many tasks. But priority has been placed on ensuring public security and order. Our people are concerned about their security. HRH Prince Kromluong has never overlooked this question. He has given prime attention to it. We have discussed this issue when we meet with each other and have exchanged phone calls on it. How and what should we do to solve this problem so as to ensure the safety and security of the people?

There are two aspects to the problem, as HRH Prince Kromluong has already noted. First, there is the Khmer Rouge question. Every one of us knows well about this matter and we are talking about the question concerning the right to self-defense. All the generals, colonels, and captains in both the army and police should understand this very well. If you keep waiting in the trenches, you will be in a situation no different from what HRH Prince Kromluong said—you will be a sitting duck. [laughter] I have heard that description, and to tell you the truth I also thought it was funny when the governors of Kompong Cham and Kratie asked what to do concerning the Khpop Ta Nguon area, through which the Khmer Rouge cut a road. I heard that yesterday the Khmer Rouge even wanted to arrest the governor of Kratie Province. Why did he not let himself be arrested? What kind of self-defense tactics did he use to the point of letting the Khmer Rouge capture territory and build a



road through it? That is not the way to defend oneself. No, that is not the way. What should be done to defend that area?

It is true that under current circumstances the government does not permit attacks on ultimate positions, such as Pailin or Anlung Veng. No, we do not permit such actions. We permit a framework of operations, however, to ensure the safety of the people in the regions controlled by the national government, made up of the three former factions as provided for by the Paris Accord. This is a compulsory obligation. Those in the Party of Democratic Kampuchea [PDK] should also be aware of this. In the past few days they claimed that the United States was opposed to their presence in the government. Now the United States has said it is not opposed to that. The United States has said it is up the Cambodians to decide. The least the Khmer Rouge can do, however, is implement the Paris Accord. The national government's stand is the same. HRH Prince Kromluong and I have the same position—the door remains open, but you must not set any conditions and ultimately you must act like the others. There can be no separate army; no separate administration in the form of a secession or autonomous system that divides Cambodia. They must understand that position.

What is now taking place seems very confusing to me, however. Like Your Highness, I do not understand them at all. I do not understand them at all. They have voiced their support and welcome but they have continued to attack us. And they keep raising the issue of a Vietnamese presence. Where are the Vietnamese? The other day they attacked the train, and those who were killed, were they Vietnamese? As the Prince Father said, no Vietnamese occupied Preah Vihear, but they attacked Preah Vihear anyway. And after repeated attacks, they captured 21 UNTAC officers instead. Have there been any Vietnamese there? It is merely a pretext.

We cannot answer them. How can we answer? We have said that the door remains open for them to join. This is already an answer. What should they do to justify the opening? What have they done? They keep attacking us every day. If the army, if the police fail to exercise their right entrusted by the government to protect the people, then it is a serious mistake. So I urge all of you to be more careful in this connection. And what needs to be done in this region is that you must do your best to keep safe communications along the Mekong River down to Phnom Penh. No point from Stung Treng downward should be blockaded. There are threats not only between Stung Treng and Kratie, but also between Kratie and Kompong Cham and sometimes Phnom Penh-Kompong Cham-Phnom Penh.

I know that the army and police generals and colonels surely understand what should be done and how it should be done in order to ensure safety for our compatriots in their travels—not just during their travels, but in their livelihood in general. That is one thing.

Another thing is that there is instability—insecurity—because of robberies. I take this opportunity to express admiration in my capacity as the cochairman of the PNGC and as the cominister of national defense, interior, and security to our armed forces for making a considerable contribution to preventing acts of banditry. Of course, this contribution has not entirely eliminated the robberies. But without their actions, the scope of robberies would have been much larger. Fortunately, we have taken action everywhere.

Now we must find a way to organize our forces, especially the police outposts in the localities, so as to keep our compatriots confident. Compared with 1954-55, the robbers now are much more sophisticated. In the past they only used shotguns, but now they have automatic weapons. So we must find a way to organize these forces to protect our people. Nevertheless, in this connection I would like to add that the work programs of the Ministry of Interior and Security also deal with the question of controlling arms and explosives. At the same time, we must issue new regulations governing the use of arms. Therefore, while HRH Prince Kromluong has appealed to frightened FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] members who have hidden in various places or who have unknowingly taken refuge with the tigers to return to the fold, I enjoin the local authorities, known as the civil administration, to ensure stability and security at all costs.

We must maintain good cooperation; the government must fulfill its role with neutrality and so must the armed forces. At the same time, the Cambodian People's Party [CPP], which is the incumbent party, must clearly distinguish the party from the government. The government is free from all parties. No party has the right to interfere in government affairs. So if there are still problems in some places, we can bring along the CPP, FUNCINPEC, or any other parties in order to explain to the people in those places. The neutral government authorities must guarantee safety for members of all parties. This question concerns the rights of the citizens. The citizens may join any party they like. The government authorities must provide them with protection indiscriminately. This was provided for by the 21 October 1991 Paris Accord. So I make this appeal because agents of the former State of Cambodia remain in most of the local administrations of areas controlled by the current PNGC. Ours is tripartite. This has nothing to do with the PDK government. Nevertheless, I also beg the other side, the PDK, not to expand its government at our expense. They are trying to sneak in and set up village and commune administrations.

Therefore, I would like to propose to all concerned to pay much attention to that point and also look into the militia issue. In some places, too many militia forces have been disarmed. We should look into that, to see why they have been excessively disarmed.



I would like also to add a little more on the issue of duplication of the administration and armed forces. The communique of the cochairmen of the PNGC dated 23 July, and later the order of the government's cochairmen dated 28 July, already pointed out by HRH Prince Kromluong, deal with the recruitment of soldiers, policemen, or any other civil forces. I would urge you to understand clearly the difference between a party and a government. You can set up whatever party at whatever level you like. You can set up a party at the central, provincial, district, or commune level. Any parties, not just the ruling parties, can do that. Do not forget, though, that the parties are not the government. They must not have armed forces. So when you see CPP offices on the city streets, you can rest assured that they are not administrative premises. And no single party can set up a government. If this were the case, with 20 parties Cambodia would have 20 governments. No, that is not permissible. There is only one government, even if there are 20 parties in the Parliament. Once you are in the government, you are a member of no particular party; you follow the policy of the government, the policy of the head of state.

Concerning the army, you should look closely at this. The General Staff has already been mapped out. You can now learn where the divisions of the former State of Cambodia armed forces are based, where the divisions of the former National Army of Independent Cambodia [Sihanoukist army] are based, and where the divisions of the former Khmer People's National Liberation Front are based. So all the units have their respective commanders. Anyone who takes the forces for training anywhere other than their assigned positions is committing an offense. The 28 July order contains this passage: Strive to ferret out, monitor, and search networks abetting or committing the above offenses in order to prevent them from recurring at all costs. In case of flagrant offenses, the offenders should be brought before the tribunal to be prosecuted according to the existing law.

So I have heard that in Kompong Cham there are hundreds of these men on the east bank and hundreds of others on the west bank. This is not permissible. You must order them to disband and return home immediately. They cannot stay there. No one can use the name of the local CPP to recruit soldiers, policemen, or civil servants. If you want to recruit soldiers you should get the order from the General Staff. If you want to recruit policemen you should get the order of the minister of interior and security. If you want to recruit customs officers you should get the order of the finance minister. No one party has the right to recruit them arbitrarily. So all those concerned should give instructions to the Defense Ministry and the Interior and Security Ministry and have copies sent to the provinces and municipalities for implementation. We must absolutely avoid duplication of the administration and armed forces.

No individual, no political party has the right to recruit forces. Of course, you are allowed to recruit party members. You may recruit as many party members as

you can. You have no right to set up a government or an administration, however. There is only one administration. The transfer of district or provincial governors and the transfer of ministers falls under the jurisdiction of the government.

For example, in District A it is not permissible to have district governors from the CPP, party A, party B, and so on. How can there be 20 district governors in one district? Of course, you can have as many district governors of parties as you want, but there is only one district governor of the administration. This is to avoid administrative duplication. As HRH Prince Kromluong has said, legally there can only be one. Moreover, the administration as well as the police and armed forces must be neutral. I emphasized that the other day when I addressed a meeting at the Ministry of National Defense and the Ministry of Interior and Security. Today I meet with you, ladies and gentlemen, right in the locality and I want to make it even clearer that the duplication of power is not tolerable. No country would tolerate it.

I would like to stress firmly the issue of the MOLINAKA [Cambodian National Liberation Movement] Party. Mr. Prum Neakareach has signed quite a lot of contracts. I have heard that there are nearly 500 recruits in Kompong Thom alone. The provincial governor mentioned it this afternoon. He said that they clamored for their monthly pay. The MOLINAKA big shots responded by promoting them to higher grades and thereby winning a temporary respite. To me, it appears that those guys would have to be promoted to the rank of marshal before they could get paid at all, due to a lack of money.

I therefore take the opportunity of my presence in Kompong Cham to make this appeal to the MOLINAKA members who have been recruiting not party members but officers and enlisted men. The government does not recognize these people as members of the national army at all. All of you from enlisted men to generals cannot join the national army. The best solution for you is to return to the honest professions that you occupied in the past. If you commit any illegal activities, be it an act of terrorism or banditry, you are forewarned. You should immediately pull out of a number of regions that we already know about. You should lay down arms or surrender them to the government, to the national armed forces.

Mr. Prum Neakareach has assured us that he has disbanded all of them. In case those of you at the local level have not heard his order to disband, on behalf of Mr. Prum Neakareach I would like to order you to disband to the last man. How is it possible for an army to have no privates? There are only second lieutenants up to generals. What use is such an army? How many generals do we already have, brother, more than 400? If he were allowed to bring in his generals, we would have more generals than the United States. We have to keep the number of our men—officers and privates—at the level we told UNTAC and no more. Armies set up after the



Paris Accord, such as the army of MOLINAKA, are legally unacceptable. Officially, all the other armies have been demobilized, but who knows, at the grassroots level they might continue to dupe new recruits.

For example, in Kompong Thom many recruits were enlisted, and when they demanded their pay they were pacified by being promoted to a higher rank. The lieutenant colonels have thus become colonels and the colonels brigadier generals. In the next few months the brigadier generals will become major generals and so on. In our country the highest ranking general has only five stars. Maybe they will have to give them the six or seven stars of a marshal. [Voice in background says: "They will get the moon."] Yes, they will be promoted to the moon rank. [laughter]

So, I take this opportunity to appeal to the soldiers who are not on the roll of the national army. The national army now has its own units. Soldiers recruited outside the framework of national army units are illegal and they are considered outlaws, insurgents, and rebels in society. Do not believe it when someone tells you they recruit reserve forces. Only the government is empowered to recruit such reserves. No individual or particular party can do it. Of course, only individuals who hold competent positions and have been legally assigned can do it. For example, if there were a decision now to recruit additional police officers, this decision would have to be backed by a law.

I would like to appeal to the people on this occasion if this is broadcast on television: Please, do not be duped. If an official must be inducted into a ministry, there should be a salary available for him. This concerns the minister of public works and the minister of finance. Without their approval, where can we get the money? If anyone could do it, there would be recruitment of troops, police, customs officers, and game wardens everywhere. The cadre is already overstaffed. The government has issued circulars through public offices and recruitment exams are held as necessary. It does not mean that there is no recruitment. But recruitment must be made through officially sanctioned examinations.

Concerning other prevailing issues, such as those that HRH Prince Kromluong has jokingly said I was marking with red ink, I want to say that not only have I marked them with red ink but I have also worked to solve them. Mr. Kong Sam-ol said he would supply rice seeds to Kompong Thom Province. This afternoon he promised 300 metric tons. This evening the figure was changed to 100 metric tons. Now the agriculture minister says he will give only 50 metric tons. So let it be 50, but please get these 50 metric tons to the people as soon as possible. When these 50 metric tons reach you, please do not unhusk them and sell them on the market. Many areas are in need of seeds. Anyway, this year's farming season comes earlier than ever. You have been exceedingly slow, however, in writing a report to the government, to the Agriculture Ministry.

This morning on the way here I saw that the fields were almost completely covered with rice seedlings. But according to the report, it is supposed to be only a dozen percent; just 15 percent of the land. My request is that all of you in all departments continue to monitor the production situation of our people this year. August has now begun. There is drought in a number of regions, however. You must monitor this situation and meet the demands in time. Also there is the problem of fertilizer and insecticide everywhere. We have fertilizer, but the monetary question and the transactions remain. UNTAC has not allowed us to sell it on credit to the people. Some of the people are not happy to see that we have fertilizer and none is for sale. They do not know that UNTAC has refused to loan it to us so we can sell it on credit to the people. So that is the problem.

Before concluding, I would like to raise another issue. I first planned to speak just a little, but this speech is becoming quite long.

Some have said that the new government has not brought any change, and in some places the situation has even worsened. Dear me, it is not as easy as that. We cannot make things happen by magic. There is no magic. It is already impressive that the new government—I thank HRH Prince Kromluong for mentioning it—was thankful to the former State of Cambodia for its achievements after inheriting the administration from it. When the State of Cambodia took over from the Khmer Rouge, there was nothing left at all. Now, it is most acceptable that after the new government was formed the civil servants still got their pay, albeit a little late.

In 1979 when I was foreign minister, I received 16 kilograms of rations, including 10 kg of rice and 6 kg of corn. The foreign minister of that period ate corn, mind you. Now, after the formation of the new government, the people already have second-hand motorcycles while our members of parliament have motorcycles and cars. In 1979 we had nothing at all. We had to sweep houses in Phnom Penh and clear them of trash. Our compatriots should not complain about the lack of progress since HRH Prince Kromluong assumed leadership. Please do not point a finger now. You have not seen everything yet.

When did Mr. Clinton come to power? He is now rated lower than Bush was in the past. His popularity rating has plunged. He was rated higher before. Since he took power he is lower than Bush. I hope the Americans do not mind when they hear me mention this. I only want to make a comparison. The president of a country with such economic stability still cannot achieve much after, say, six months in office. Now the interest rate must be dropped from 8 percent to just a little more than 3 percent in a bid to boost the economy. He promised to reduce taxes but he could not live up to that. On the contrary, he must even raise taxes.

And now look at our country. We cannot just do things as if by magic. In their complaints some said that in the past they had some electricity but now they have none.



Nothing can be done yet, not even by H.E. Ing Kiet, our minister of energy, who is sitting right here. [laughter]

And when the governor of Kompong Thom Province said he had a power plant dating from 1929, HRH Prince Kromluong retorted that he was luckier than Phnom Penh, which has a plant dating from 1926. That is three years older than Kompong Thom. [laughter]

While we talk of electricity—I am not exposing anyone here—a certain personality told me the week before that he wanted to help the municipality and promised to turn it into a second Swiss city of Geneva within three months. Another boasted that he would make it another Tokyo within just six months. I said: Are you sure? I doubt if that is possible. Just repairing the sidewalks of Phnom Penh—let alone the sewage pipes and power networks—just the sidewalks and the potholes will require no less than \$20 million. And where will you get \$20 million? The international community has promised us \$20 million. So far, we have received only \$1 million. I do not know when we will get the other \$19 million. First, they said they would give us \$3 million, but we got only \$1 million. They said \$2 million more was on the way. So \$17 million has yet to come. Of the \$17 million I have heard that Britain has contributed \$1 million. I do not know which other countries will contribute the rest.

We Cambodians do not have fewer brains than the Japanese, but we have much, much less money. Who does not want streets 30 or 40 meters wide? But we do not have the money to build them. Who does not want electricity? The other day when we were discussing the power issue, the minister in charge of energy was listing the priority supplies for the royal palace, the parliament, and the prime minister's office, and suddenly there was a blackout. [laughter]

So please do not rush to criticize HRH Prince Kromluong Norodom Ranariddh, for the new government is still very young. It is just over one month old. During all this time it has had to prepare the laws, regulations, and statutes for various ministries and departments. This is one problem that requires a lot of understanding. Doing things is not as easy as dreaming things. For example, we need 50 megawatts for Phnom Penh and we have only 10 megawatts. [voice in background says: "As much as 20."]

Yes, we have 20, but we can only use just over 10 megawatts at peak hours. So in order to keep Phnom Penh from power shortages we must upgrade our power supply to meet the demand, which is 50 megawatts. But how many dozens of millions of dollars will be needed to generate 50 megawatts? Now we plan to rely on Japan to provide us with a floating generator with a 20-megawatt capacity. We have not yet initiated any talks with Japan on that. We do not know whether Japan will give us that generator or not. So, do not complain that you did not have electricity when you lived under Hun Sen alone and you still do not have electricity now that you live under Prince Kromluong Norodom Ranariddh and Hun Sen.

You should be aware of this: Even five of us could not give you electricity as long as we do not have money. So what should we do? We should make greater efforts and produce more. You, over there, should not smuggle rubber out of the country. [laughter]

All of us—soldiers, policemen, and civil servants—should work so that there is no longer smuggling and what you call embezzlement so that more income goes to the national budget. Then we will have money to do things and we all will be better off. Your salaries will also go up. If all of you, soldiers and policemen, want a pay raise, the best way is for you to help prevent tax evasion. When the state, when Mr. Sam Rangsai and Mr. Cham Prasit, get the tax money, they will inform the government of the increased revenues and the possibility of financing projects.

The truth, however, is that only 50 percent of the taxes trickle in while the rest goes unaccounted for. How can there be a pay raise, then? If you insist on getting a pay raise, the last recourse will be to print more money, thus feeding unbridled inflation. That will be the sign of a sure collapse. So I ask for your understanding.

One more thing, one last thing, is that I would like to ask you this now that we have a meeting between officials from the three provinces and those from the Ministry of Interior and Security and other ministries and institutions: Soon, I mean now, we must set up a structure copied from the model of Sangkum Reas Niyum [Popular Socialist Party, Sihanouk's pre-1970 party and administration], modified just enough to conform with the prevailing situation. In so doing, we are going to reduce the influence of the provinces over the military forces and other sectors. This is because we are setting up parallel lines of command. What I want to ask you here is merely for you not to jump from left to right or from right to left. For example, currently the armed forces, the police, and other sectors are listening to both their parallel lines of command and the provinces. Once reform starts, they might stop listening to anyone and carry out activities against the government itself. I heard the other day that the police of Kompong Siem had stopped taking orders from the governor of Kompong Siem District. I learned of that personally. If the police stop listening to the governor, then it is the end of everything. District and provincial governors just cannot work without the assistance of the police. With the military it is different. But without the assistance of the police, no work is possible. So this much I ask of you: Do not cross the lines from left to right or from right to left. In the past you listened to the provinces more than the ministries at the central level. Now that you are supposed to listen to the central level, do not carry out activities against the government. This is one of the many points I want to raise.

In conclusion, I thank you, especially the governors of the three provinces and the generals and colonels of the military region covering the three provinces. I wish you success in your difficult and complex but ordinary tasks.



These tasks are no longer extraordinary. They are ordinary ones. I wish HRH Prince Kromluong the best of health and success in leading the country. I also wish all of you—excellencies, ladies, and gentlemen—the best of health, long life, social prestige, happiness, and enlightenment. Thank you.

## Thailand

### Commerce Ministry To Crackdown on Software Piracy

*BK0908013593 Bangkok BANGKOK POST in English 9 Aug 93 p 32*

[Text] The focus of the Government's crackdown on copyright piracy will turn from audio and video tape to computer software, and arrests are likely in the near future, according to a Commerce Ministry source.

The renewed attention to illicit software apparently is the result of the recent negotiations on intellectual property with the United States and the Government's submission to Parliament of a draft amendment to copyright law that would clarify software as copyrightable "literary" works.

Some raids have been made in the past under existing law, but only a handful of arrests have been made. One of the reasons, the source said, is the difficulty the police have in identifying whether software is legally or illegally copied. The police could continue to face this problem, the source said.

On August 19, the Intellectual Property Department will hold a seminar on software copyrights in order to hear opinions on the draft bill which still has not been debated in Parliament.

### Bangkok Promises Film Industry Aid if Tariff Cut

*BK1008021993 Bangkok BANGKOK POST in English 10 Aug 93 p 15*

[Text] The Government will help Thai movie producers compete with foreign films if the tariff on "exposed film" imports is cut from 30 baht per metre, Deputy Commerce Minister Churin Laksanawisit said yesterday.

Mr Churin said the Cabinet last week discussed a tariff cut as sought by the United States as a condition to lift Thailand from a list of countries that might face trade retaliation. The US claims Thailand does not sufficiently protect US intellectual property rights.

The Cabinet supported a tariff cut but the measures to help Thai producers have yet to be prepared, he said.

A Commerce Ministry source said the Government might reduce tariffs on imports of films or equipment used in domestic movie production.

The impact of a tariff cut on imported movies would have little effect on local industries because the markets for Thai and foreign films were different, the source said.

Mr Churin said the US had offered to scrap tariffs on woven fabric, now 17 percent.

If Thailand agreed to cut the tariff on "exposed film" to a level similar to that of neighbouring countries, in exchange for a zero rate on exports of woven fabric, the country would benefit greatly. Thailand annually exports about US\$500,000 (12.5 million baht) worth of goods to the US but collects only 7 million to 8 million baht a year from the duty on movies.

A zero rate on woven fabric would help Thailand expand markets to Mexico and Canada when the North America Free Trade Agreement (NAFTA) took effect next January 1.

Mr Churin said Singapore, Malaysia and Hong Kong do not collect tariffs on imports of "exposed film." Japan collects 4 baht a metre and the Philippines 15 baht a metre.

From the start of July up to yesterday, the Economic Crime Investigation Division had busted 35 audio piracy groups.

The ministry would report the results to Prime Minister Chuan Likphai on the 5th of every month, he said.

Finance Permanent Secretary Aran Thammano said the Finance Ministry had not yet finalised whether it would reduce the tariff on foreign films.

"The issue is being considered by the Fiscal Policy Office." An informed source said that if the tariff was reduced, it would be for films from all countries, not only the United States. The reduction would benefit Hong Kong the most.

### UNTAC Soldiers Arrested for Carrying Weapons

*BK0708151893 Bangkok Army Television Channel 5 in Thai 1200 GMT 7 Aug 93*

[Text] The police in Prachin Buri Province have arrested three UNTAC [UN Transitional Authority in Cambodia] soldiers for carrying military weapons in defiance of Thai law. The three UNTAC soldiers arrested by provincial police officials in Aranyaprathet District, Prachin Buri Province are from Malaysia. They were arrested while strolling in the Aranyaprathet District market carrying M-16 rifles loaded with more than 60 rounds of ammunition ready to fire. This frightened the local people. The three UNTAC soldiers will be detained pending legal action.



## Officials React to UNTAC Allegations

### Security Council Head Urges Apology

BK1008014993 Bangkok *THE NATION* in English  
10 Aug 93 p A3

[Text] National Security Council chief Gen Charan Kunlawanit yesterday urged the UN peacekeeping mission in Cambodia to apologize for accusing Thai soldiers of allowing the Khmer Rouge to attack UN peacekeepers on Thai soil.

Charan said the allegation is groundless, and that the UN authorities should have consulted Thailand first "instead of talking to the world without any investigation."

The UN mission alleged that Khmer Rouge guerrillas fired on a UN base along the Thai-Cambodian border on Aug 1, and then briefly detained 21 fleeing peacekeepers on Thai soil while Thai soldiers stood by.

Several top Thai officials, including Prime Minister Chuan Likphai and Foreign Minister Prasong Sunsiri, had previously criticized the UN mission for the allegation. But they have stopped short of directly demanding an apology.

Meanwhile, Prasong said yesterday the Thai Government will ask Cambodia's co-presidents, Norodom Ranariddh and Hun Sen, to allow Thai businessmen to remove pre-felled logs from timber concessions in Cambodia when they visit Bangkok this week.

Prasong said he would also raise the continuing problem of crime and banditry by Cambodians who cross the border into Thailand.

Prince Ranariddh and Hun Sen will start their official visit on Thursday. Thailand is only the second country they would have visited, after Laos, since the post-election interim government was set in place last month.

"I will ask the Prince and Hun Sen to accord lenient treatment to Thai loggers to export their cut logs out of Cambodia. However, Cambodia's interim government will have to discuss it with the UN Transitional Authority in Cambodia (UNTAC)," Prasong said.

Cambodia's Supreme National Council (SNC) banned the export of logs from Cambodia on Jan 1. The ban does not include processed wood, which can still be exported under the supervision of UNTAC and the SNC.

Thai loggers, major investors in the business, have suffered grievously from the ban with losses reportedly of Bt [baht] 4 billion.

Past attempts to persuade the SNC to review the ban have been unsuccessful. Prasong's renewed effort is seen as a last-ditch attempt to ease the damage to Thai traders.

Prasong said the government would also reaffirm its support for the interim government and the next government as well as for national reconciliation in Cambodia.

The minister also said UNTAC now had a better understanding of events which led to accusations that the Thai military had given tacit support to Khmer Rouge units who attacked and detained 21 UN peacekeepers on Thai soil last week and filmed the event.

Thai Ambassador to Phnom Penh Sunai Bunyasiriphan had explained to UNTAC's civil and military chiefs, Yasushi Akashi and Lt Gen [Lieutenant General] John Sanderson, that Thai military personnel had played no part in the Aug 1 incident, he said.

The UNTAC chiefs were now aware that Thai officers had in fact helped negotiate with the Khmer Rouge for the release of the peacekeepers.

The accusation caused outrage within Thai military circles. In an article in the *ARMY NEWS* magazine, the army accused UNTAC of disregarding the assistance Thailand has afforded the UN mission since the start of the operation in March.

### Military Source on KR-UNTAC Incident

BK0708011193 Bangkok *BANGKOK POST* in English  
7 Aug 93 pp 1, 3

[Text] Ubon Ratchathani—The Khmer Rouge claims it had no intention to harm the 21 UNTAC personnel it detained on Sunday and asked the Thai Army to take them into Thailand to clear the way for the seizure of a government position near the UNTAC-manned CT-1 checkpoint in Preah Vihear Province.

But a senior Thai military source insisted the UNTAC personnel were detained inside Cambodia and not in Thailand as earlier alleged by the United Nations Transitional Authority in Cambodia (UNTAC).

The source said that on the day of the incident, the Khmer Rouge had launched an attack against government forces near the checkpoint in Choam Khsan district, 10 kilometres from the world-famous Preah Vihear temple which the guerrillas captured on July 7.

A number of mortar shells fell near the checkpoint.

The source said the Khmer Rouge had paused in its shelling to give time for UNTAC personnel at the checkpoint to take refuge inside Thailand 200 to 300 metres away.

Chinese, British and French military observers together with a signal officer and a cook left the checkpoint and took refuge inside Thailand.

However, 15 Pakistani soldiers kept their positions at the checkpoint.

The source said the Khmer Rouge did not want to harm the UNTAC personnel.



One guerrilla approached the Thai Army position on the Thai side of the border, waving a white flag.

"He asked the (Thai) soldiers to negotiate with the 15 Pakistanis to leave the checkpoint and take refuge in Thai territory, which they did," he said.

He said the UNTAC personnel who had earlier left the checkpoint had asked the Thai soldiers to return with them to pick up their belongings.

"At that time, the Khmer Rouge commander had arrived to inspect the area which his forces had just captured. He saw the UNTAC personnel and detained them in Cambodian territory," the source said.

He said the Thai soldiers then negotiated with the Khmer Rouge to allow the UNTAC personnel to cross the border, but the commander refused.

"They had to ask assistance from the Thai forces in Surin which contacted Khmer Rouge commander Gen Ta Mok who then ordered his forces to release the UNTAC personnel," he said.

Thai soldiers remained with the UNTAC personnel throughout the incident.

The source said the Khmer Rouge were still in control of the area, as of yesterday, with the guerrillas apparently continuing their attack on government forces further inside Cambodia.

He suspected the clash between the Khmer Rouge and government forces occurred during troop movements by the guerrillas from Chong An Ma towards Choam Khsan District during which they encountered government troops.

Government troops were reported to be patrolling the area as a part of surveillance of a Khmer Rouge attack on Choam Khsan, the source said.

Meanwhile, Thai soldiers manning the border post at Chong An Ma yesterday said they were hurt by the allegations made by UNTAC that the Thai Army allowed the Khmer Rouge to detain 21 of its personnel inside Thai territory.

"The 21 UNTAC personnel whom we helped can tell the truth about what really happened; they know what happened," said Col [Colonel] Suchat Phakdiphinit, commander of the Sixth Infantry Division.

He said Thai soldiers had videotaped the incident which occurred inside Cambodia.

"We are sorry that we have been accused of helping the Khmer Rouge. The Thai soldiers who man the Chong An Ma position were caught by the events.

"Some Khmer Rouge soldiers penetrated Thai territory and we fired. It's not like we didn't do anything," he said.

Col Suchat said the UNTAC's allegations were groundless.

### Spokesman Urges UNTAC Apology

BK0708075493 Bangkok SIAM RAT in Thai 7 Aug 93  
p 1

[Text] Government Spokesman Aphisit Wetchachiwa said on 6 August that the allegations made by the spokesman of the UN Transitional Authority in Cambodia (UNTAC) that Thailand has supported the Khmer Rouge are biased and based on old information.

The government spokesman said that UNTAC has reportedly failed in its operations and was trying to find a scapegoat for its failure. It is easy to accuse Thailand by using old information.

Earlier this week, the UNTAC spokesman said that Thailand has provided support to the Khmer Rouge during the detention of UNTAC officials along the Thai-Cambodian border. Last month, UNTAC also accused Thailand of giving support to the Khmer Rouge during the seizure of Preah Vihear temple.

Aphisit said that it is time for UNTAC to apologize to Thailand and to clear up its allegations against Thailand. Otherwise, the Foreign Ministry will have to lodge a protest.

Earlier, the Foreign Ministry said that UNTAC is biased against Thailand. The ministry has instructed the Thai Embassy in Cambodia to clarify the matter.

### NSC Chief: UNTAC 'Has Failed'

BK0908081793 Bangkok PHU CHATKAN in Thai  
9 Aug 93 p 7

[Text] General Charan Kunlawanit, secretary general of the National Security Council [NSC], told a PHU CHATKAN correspondent that the UN Transitional Authority in Cambodia, UNTAC, withdrawal in September will leave several problems unsolved for Thailand to encounter.

He said: "UNTAC is supposed to persuade the four Cambodian factions to cease fire, to lay down their weapons, to merge their troops into a single army, and to organize an election. So far, UNTAC has succeeded only in organizing a general election but has failed to secure national reconciliation for the Cambodians before its departure. Thailand will be the country most affected if Cambodia is once again plunged into a violent conflict."

The NSC secretary general noted that the Khmer Rouge is apparently an important ingredient in Cambodian national reconciliation and their military operations along the border areas opposite Ubon Ratchathani province represent their attempt to participate in the provisional government of Cambodia.

General Charan continued: "The UNTAC allegation on Thai support for the Khmer Rouge and the subsequent



Thai protest to the UNTAC head in Phnom Penh indicated that UNTAC's mission in Cambodia has failed. UNTAC often blames the Khmer Rouge for its failure and has never allowed the Khmer Rouge to participate in anything. The Khmer Rouge also signed the Paris agreement and requested its participation in the administration of the five major ministries before the general election was held and before the investigation into the presence of the Vietnamese troops in Cambodia. UNTAC rejected the Khmer Rouge's requests. So, the Khmer Rouge refused to give its cooperation to UNTAC. The UNTAC simply blamed Thailand for that."

Regarding the conflict between the Khmer Rouge and UNTAC, the NSC secretary general said Thailand's policy on Cambodia remained unchanged. Thailand always want to see the Cambodian faction reconciled. No particular faction should be isolated.

He said: "We are pleased with the United States' lenient attitude toward the Khmer Rouge. The U.S. attitude is more mature. Nobody has the right to dictate which faction should go or which faction should stay. We want to let the Cambodian people make such a decision."

General Charan revealed that after the UNTAC withdrawal from Cambodia, Thailand will pursue its policy of impartial contacts and support for all Cambodian factions so that they will be present in the new government to be formed after the promulgation of the constitution in September. The important problem for Cambodia now is its economy. In this connection, the Thai private sectors can help Cambodia develop its economy.

At present, the Thai private sectors are encountering a few problems in doing business with Cambodia, particularly those engaging in logging and gem mining in the border areas under the Khmer Rouge control due to the UN sanctions against the Khmer Rouge.

The NSC secretary general added: "Whether there will be Khmer Rouge-controlled areas in Cambodia or not depends on the new government to be formed after the promulgation of the constitution, in September, I believe. We respect their sovereignty. Thai businessmen will have to get permission from the new government before doing any business in Cambodia."

### Vietnam

#### MIA Office Offers Rewards for MIA Information

*BK0908121093 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Aug 93*

[Communique of the Vietnam MIA Office; date not given]

[Text] Stemming from the lofty Vietnamese national tradition, the Vietnamese Government and people have treated the MIA problem as purely a humanitarian issue without no political conditions attached. Vietnam has

advocated full cooperation with the U.S. Government and people to quickly resolve this issue.

Since its notice dated 6 December 1992, the Vietnam MIA Office has received 27 items presumed to belong to MIAs. The items were handed over to the office by peasants in various provinces. The U.S. Government representatives have, on many occasions, thanked and highly commended the Vietnamese Government and people for their efforts and goodwill in searching for remains of MIAs. The United States has also begun to contribute to efforts to help Vietnam resolve its own humanitarian issue. Recently, the United States has provided Vietnam with many documents related to Vietnamese missing in action.

To satisfactorily carry out the agreement reached recently by the Vietnamese and U.S. Governments on fully accounting for the MIAs, the Vietnam MIA Office is authorized to, once again, call on sectors and people in localities to strive to search for and report all information related to the MIAs and to hand over all items presumed to belong to MIAs they have in hand to the local authorities, thus helping to quickly resolve this issue in accordance with the spirit of humanitarianism.

Following scientific identification, if these items are proved to be true belongings of Americans missing in action, those who handed them over to the authorities will receive a reasonable reward from the state for their help in the search.

The Vietnam MIA Office once again thanks those who have cooperated with it during the past period. It is hoped that more cooperation will be received from various sectors, the local administration, and people in various localities so this humanitarian work can be completed soon. Those who have information and items related to MIAs, please contact the Vietnam MIA Office at the following telephone numbers: 233971, 221518, and 264714.

#### Further on MIA Communique

*BK0908150993 Hanoi VNA in English 1442 GMT 9 Aug 93*

[Text] Hanoi VNA August 9—"Stemming from the noble tradition of the nation, the Vietnamese Government and people always regard the tracing of American servicemen reported missing in action (MIA) as a purely humanitarian issue without political conditions attached and will fully cooperate with the American Government and people to settle this issue at an early date."

This comes in a communique released here on August 7 by the Vietnam MIA Office. The announcement continues:

"Since the release of the December 6, 1992 note, the Vietnam MIA Office has received 27 remains of assumed American MIAs from people in different localities. The representative of the US Government for his part has on several occasions thanked the Vietnamese



Government and people and highly appreciated their efforts and goodwill in this humanitarian issue. The United States has begun helping Vietnam settle its own humanitarian issue by supplying Vietnam with many documents to help in the search for Vietnamese still unaccounted for.

"In implementation of the agreement reached recently by the Vietnamese and U.S. Governments to speed up the fullest possible accounting of people missing in action, the Vietnam MIA Office once again calls on all branches of activity concerned and the population in all localities to search for and provide information relating to American MIAs and hand over all the remains in their possession to the local authorities, thus contributing to an early settlement of the issue in the humanitarian spirit. If the remains are identified by scientific methods of identification to be those of American servicemen, the suppliers will be duly rewarded."

#### **Vo Van Kiet Congratulates New Japanese Premier**

*BK0908151793 Hanoi VNA in English 1446 GMT  
9 Aug 93*

[Text] Hanoi VNA August 9—Prime Minister Vo Van Kiet has extended his congratulations to Morihiro Hosokawa on his election as prime minister of Japan.

#### **Visits Catholic Archbishop in Hospital**

*BK1008101593 Hanoi Voice of Vietnam Network in  
Vietnamese 2300 GMT 9 Aug 93*

[Text] According to a Government head office source, while in Ho Chi Minh City for the government conference and meeting with local authorities of southern provinces, Prime Minister Vo Van Kiet on 8 August visited Archbishop Nguyen Van Binh who was receiving treatment in the Thong Nhat Hospital.

Despite his illness, Archbishop Nguyen Van Binh appeared well and was encouraged by Prime Minister Vo Van Kiet's visit and their conversation. The prime minister cordially enquired about the archbishop's health and wished him a speedy recovery.

Archbishop Nguyen Van Binh thanked the prime minister for his concern and for taking time off from his busy work schedule to pay him a visit. He said he had followed with keen interest the prime minister's recent visit to Western European countries, and was delighted to see the continued expansion of Vietnam's external relations. The archbishop also expressed his pleasure at the achievements of the renovation, and thanked the government for its concern and support for the "revering God and patriotic" activities of the Vietnam Catholic Church. Recently, the government created favorable conditions for a group of young priests to study abroad.

#### **Visits Minh Hai, Long An Provinces**

*BK0908094393 Hanoi Voice of Vietnam Network in  
Vietnamese 2300 GMT 8 Aug 93*

[Text] Prime Minister Vo Van Kiet held a working session from 6 to 7 August in Minh Hai and Long An Provinces to discuss the socioeconomic development plan for 1994 and implementation of the Party Central Committee's Fifth Plenum resolution on continuing to renovate and develop the socioeconomic situation in the countryside.

The prime minister heard leading cadres of the two provinces report on results of their socioeconomic development tasks since early this year and the implementation of key measures to satisfactorily fulfill targets set for 1993.

Prime Minister Vo Van Kiet exchanged views with leaders of these provinces on orientations for socioeconomic development in the 1994-95 period as well as other concrete measures aimed at exploiting local potential. He stressed that efforts must be made to overcome difficulties quickly in each locality and attain rapid progress in socioeconomic development, especially when our country now has a better chance and favorable conditions for doing so.

The prime minister said that these two provinces have great potential in agricultural, food, and goods production as well as in aquaculture, animal husbandry, and afforestation. As a result, efforts must be made to exploit optimally existing resources while developing new potential to renovate the local economic structure and effectively strengthen the local economy, thereby ensuring a higher economic growth rate and greater production output.

Prime Minister Vo Van Kiet urged Minh Hai and Long An to review the socioeconomic targets set by the local party organization congresses and supplement and adjust them to suit the new situation. It is noteworthy that new factors have emerged in these provinces, as well as in localities throughout the country, which are in favor of socioeconomic development programs, thus helping them exceed targets set by the local party organization congresses.

Afterward, Prime Minister Vo Van Kiet left for a working visit to Dong Thap and An Giang Provinces.

#### **Nong Duc Manh Meets Hanoi Cadres**

*BK0908055193 Hanoi Voice of Vietnam Network in  
Vietnamese 1000 GMT 8 Aug 93*

[From the Press Review program]

[Text] Dear friends: Today's edition of QUAN DOI NHAN DAN carries the news of the working visits of National Assembly Chairman Nong Duc Manh to various agencies of Hanoi City from 3 to 5 August.



The chairman spent most of his time enquiring about the changes in the land situation after the promulgation of new laws on land and on agricultural land tax. He also listened to reports on the situation regarding socioeconomic development at various places, and inspected the performance of people's councils at a number of districts, precincts, and villages.

Chairman Nong Duc Manh expressed his satisfaction at seeing that the operation of the people's councils at all district, precinct, and village levels has gradually become well-organized—a progressive development that improves the efficiency of the grassroots administration mechanism.

At the meeting with the leading cadres of Hanoi City, the chairman reminded Hanoi authorities to pay appropriate attention to the general development and expansion plans of the city, strive to build the new quarter as a satellite city of Hanoi, and ensure that the refined traditions of the capital city will be maintained so that Hanoi will be a modern city of the future, worthy of being the heart of our country.

#### **Pham The Duet Views Antinegativism Campaign**

*BK0808081793 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 7 Aug 93*

[From the press review program]

[Text] In this week's issue of LAO DONG, the newspaper publishes the contents of an interview with Comrade Pham The Duet, secretary of the Hanoi City Party Committee, on the results of the campaign against corruption, smuggling, and other social vices in Hanoi.

Comrade Pham The Duet evaluated the activities of the Hanoi trade union as follows: Trade union organizations at all levels, especially at sector, district, and grassroots levels, have made many changes for the better. Practical steps have been taken to get rid of the old motivation method based on formalism and replace it with efforts to take into account real life situations and join hands with the administration in modernizing equipment and technology. Adequate efforts have been made to organize production and help workers and other working-class people improve their professionalism and foreign language skills. The Hanoi City trade union has also begun to rally nonstate working-class people.

Much remains to be done. However, adequate efforts have been made to protect the legitimate rights of workers and other working-class people, including retired persons.

As I see it, the Hanoi trade union has always voiced its political opinions about the strong points and shortcomings of state policies and lines, thus helping to uncover irrationalities which need to be overcome when it comes to collecting land and housing taxes, deducting rents from wages, or applying a new wage system. Continued efforts must be made to keep up this good work.

Under the motto of practical and effective results, the Hanoi trade union has also initiated very active, deep-rooted emulation campaigns for higher production output, good management, and good people and good deeds. The Hanoi trade union, however, has still not launched a vigorous campaign against corruption, smuggling, and other social vices among broad sections of workers and other working-class people at the grass-roots level. As far as Hanoi City is concerned, tens of thousands of people are still unemployed. In addition, much remains to be done to secure democracy, openness, and justice at the various agencies and enterprises. The city party committee echelons strongly hope that trade union organizations at all levels, especially at the grass-roots level, will motivate trade union members, workers, and other working-class people to fulfill the aforementioned goals at all costs.

#### **Agriculture Minister Discusses Rural Renovation**

*BK0908075393 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 8 Aug 93*

[From the Press Review program]

[Text] Hanoi Moi today carried the answers of the minister of agriculture and food industry to the paper's correspondent in an interview on implementation of the Party's Fifth Plenum Resolution on continuing the socioeconomic renovation and development in the countryside.

Speaking on the role of agricultural production in the renovation and socioeconomic development in the countryside, the comrade minister asserted that agricultural production is always closely related to the countryside. The rural population represents more than 70 percent of that of the whole country, thus forming the largest market of commodity consumers. If agricultural production fails to develop, that means agricultural products will be fewer and the people in the countryside will be poorer; their purchasing power will be reduced; and, consequently, industrial production will be affected.

When agricultural production is weak, the most harmful result is that because peasants are poor and hungry they will be more likely to pour into cities to earn a living, thus increasing population density and creating more social ills. In the countryside itself negative attitudes and many bad practices will also emerge.

In our neighboring countries in the region and even in highly developed countries where the agricultural sector is less than 50 percent—or even less than 10 percent—of the economy, people still regard agricultural production as essential to the economy.

The comrade minister also mentioned some concrete actions and measures carried out by the Ministry of Agriculture and Food Industry to implement the Party's Fifth Plenum Resolution on continuing the renovation and socioeconomic development in the countryside.



**Hanoi City Striving To Reduce Unemployment**

*BK0808150393 Hanoi VNA in English 1355 GMT  
8 Aug 93*

[Text] Hanoi VNA August 8—In an attempt to reduce unemployment in the city by 40 percent, Hanoi is striving to generate some 20,000 to 25,000 new jobs annually.

The municipal authorities stated that successful measures in job creation would ensure that up to 75 per cent of people within the working age group would be able to earn their own living.

In recent years, Hanoi has suffered increasingly higher numbers of unemployment; this is due to the larger adult population, 57 percent of Hanoi's total population, and the return of labourers from abroad and elsewhere to the city for seasonal work.

Last year, 1.235 million out of Hanoi's total population of approximately 2.16 million were within the working age group. It is estimated that within these figures 900,000 were in full time employment with the remainder unemployed or having unstable jobs; this was the result of a survey conducted earlier this year. The survey also reported that the most alarming situation was the low level of learning. Up to 70 percent of the existing workforce are in unskilled labour with educational standards rated at primary and lower secondary levels. Only 20 percent of the [words indistinct] said working population have acquired higher level of secondary education. This has led to the widening gap between the growing unemployment rate and the increasing demand for workers to have higher vocational

training skills now that many projects with foreign investment are being established in the capital city. Local employment officials and foreign investors have voiced their concern at the lack of qualified personnel for high-quality work in engineering and other hi-tech work.

To cope with the situation, many job training and vocational training centres have been set up to train and retrain workers facilitating their future job hunting. The training incorporates such crafts as garment making, vehicle repair, electronic products and refrigerators.

**Lao National Congress Chairman Receives Envoy**

*BK0708145993 Hanoi VNA in English 1405 GMT  
7 Aug 93*

[Text] Hanoi VNA August 7—Chairman Saman Vignaket of the Lao national congress received Vietnamese Ambassador to Laos Bui Van Thanh in Vientiane yesterday.

Speaking to the newly-accredited ambassador, Chairman Vi-gnaket reiterated the consistent policy of the Lao party and government is to further promote the special solidarity, friendship and all-round cooperation between Laos and Vietnam which, he said, are a factor for peace, stability and development of each country, and a contribution to the cause of peace, stability and cooperation in the region and in the world.

The same day, Mrs. Thongvinh Phomvihan, first secretary of the Lao youth, also received Ambassador Bui Van Thanh. She expressed her wish for further development of relations between the youth organizations of the two countries.



